
HISTORICAL CHRONICLE

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The Azerbaijan-Great Youth Society publishes this book on the occasion of the Golden Jubilee of Her Majesty Queen Elizabeth II.

THE AZERBAIJAN-GREAT BRITAIN YOUTH SOCIETY 2002
The book is compiled by the following members of the Society: Taleh Bagiyev, Rovshan Didavari, Jeyhun Novruzov, Arzu Tabrizli, Aysel Yaqubova, Elnura Eminbayli, Zaka Mirzayev, Marziya Mammadova, Rustam Sadiqzade, Sanan Suleymanov.

The book concretely deals with the establishment and development of the mutual diplomatic ties with Great Britain, which is one of the foreign policy priorities of the Independent Republic of Azerbaijan, strengthening of co-operation with the very country and Britain's role in the integration process of our Republic to Europe, obtained political, economical, historical and cultural achievements in the establishment of the Azerbaijani foreign policy.

Meanwhile the book imparts the profound information on the British organizations being in businesslike relations with Azerbaijan such as the Anglo-Azeri Society, Azerbaijani Cultural Centre in London and number British financial-economic giants (either oil or non-oil sector) like "bp", "Ramco", "Shell", "Spearhead Exhibition", "HSBC", "British Airways", "zEuroTel" and as well "British Council" and "BBC" which work in the humanitarian and information fields and other organizations like the British Business Group and the Azerbaijan British Trade and Industry Council.

The book is an informative publication and regarded for students, aspirants, and scientific researchers who are interested in foreign policy issues and Azerbaijani-British relations and also wide-ranging readers.

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CLOSE AND DISTANT GREAT BRITAIN

As early as the beginning of the last century, as a result of the emergence of an oil industry in Baku, large and small-scale companies from Great Britain - geographically many miles from Azerbaijan - became very interested in our country. They invested and in turn made a profit from Azerbaijan. Seeing the prospects for economic cooperation with Azerbaijan, the government and people of Great Britain were absolutely sincere in recognizing independence of Azerbaijan at that time. People investing and getting profit from the Azerbaijani economy were aware that if Azerbaijan lost its independence, they would be deprived of this fruitful cooperation. Very unfortunately, history at that time was neither in favour of our independent state and its people striving for freedom and well-being, nor in favour of our well-wishers and friends cooperating with us. Despite the fact that the State of Azerbaijan had lost its independence at the beginning of the 20th century and had lived for decades in dependent conditions within the huge Communist empire, both our people and our well-wishers and friends living close and far away from us haven’t lost the belief and hope in regaining our independence one day. This is why at the beginning of the 1990s, from the first days of independence, countries - indeed old friends - which had established relations with independent Azerbaijan at the beginning of the 20th century strove for the restoration of economic, political, cultural and scientific relationships. Naturally, Great Britain was among the first. That is why the history of relations between the new, independent Azerbaijan and Great Britain coincides with the history of regaining independence by Azerbaijan. This book is a vivid proof of this relationship. Looking through this book, one can trace not only relations and cooperation between Azerbaijan and Britain, but also the internal political, economic and social processes going on in Azerbaijan. It is true to say that every nation’s foreign policy develops from its domestic policy. If there is no stability and well-being within a country, no relationships with that nation will be profitable. That is why this book, dedicated to the two centuries of cooperation between Azerbaijan and Great Britain in different fields, demonstrates the extent of state-building carried out by the President of Azerbaijan, HE Heydar Aliyev. With other countries, our relations and cooperation with Great Britain, which are expanding every day, began when Mr. Aliyev came to power. Reading this book, and discovering more about the diplomatic, economic, cultural and scientific relationships of these two countries, one cannot fail to believe in tighter relations between these countries, both in the near and distant future. There is no doubt that due to this cooperation, these relationships will get even closer and this book will undoubtedly play a large role in this development.

Siruz Tabriziy Member
of Parliament
The development of cooperation with Great Britain and Azerbaijan's gradual integration into Europe constitutes one of the leading directions of Azerbaijan's Foreign Policy Strategy.

Despite the fact that the modern history of relations between the two countries began in the early 1990s, from the viewpoint of development of relationships, this historical progress has already been achieved. The President of Azerbaijan, HE Heydar Aliyev, has been in power since June 1993, and has a rich political experience and ability to evaluate precisely the ongoing processes in the region and how they have played a role in achieving this success.

At the same time, it should be noted that Great Britain is a powerful state historically, having political and economic interests in Azerbaijan, and there is a historical past of cooperation between two countries.

As far back as the 16th century there were close relations between the Azerbaijani Sefevi State and England. The English "Moscow" company controlled commercial relations with Russia and, via its territory in the Orient, it sent six expeditions to the Sefevi State between 1561 and 1581: The first expedition was from 1561 to 1564; the second expedition was from 1563 and 1565; the third expedition was from 1565 to 1567; the fourth expedition was from 1568 to 1569; the fifth expedition was from 1568 to 1569 and the sixth expedition was from 1579 to 1581. Thus relations between the Azerbaijani Sefevi State and England had already been established during the Middle Ages.

Celebrated merchants and travellers of Europe, including Messrs A. Jenkinson, A. Edwards, J. Deckett, T. Bannister and L. Chapman took part in those expeditions.

The reason that England established relations with the Sefevi State in the 1560s has been clearly shown in a letter from Queen Elizabeth I (1558-1603), dated 25th April 1561, to Shah Tahmasib. In the letter. Her Majesty the Queen requested privileged and free trade conditions for English traders and tried to persuade him that emerging relations would be to both their advantage.

The same year, the first English ship, the 'Swallow', with "80 packs of woolen cloth on board arrived in our country." The head of the mission, the famous 16th century English traveller and merchant, Anthony Jenkinson, traveled through the territory of Azerbaijan and, taking an interest in the way of life and economics of our nation, he noted them in his diary. In it, he mentions many valuable historical facts about Azerbaijan. He also met the ruler of the Shirvan province, Abdullah Khan Ustajly, in Shemakha in 1552 and established the first English trade factory in Shemakha.

Over the following years, relations with England flourished. During the reign of the Sefevi ruler Shah Abbas I (1587-1629), the English merchant brothers Anthony and Robert Shirley arrived in Azerbaijan and were received by the Sefevi ruler in Isfahan in 1599. English merchants were in those days allowed to trade freely, and didn't have to pay customs fees.

The development of the oil industry in Azerbaijan from the 1870s and the emer
gence of new global political realities resulted in a new stage in the relationship between Great Britain and Azerbaijan.

Analysis of the relationship at the beginning of the 20th century shows several things. Firstly, economic relations beginning from the Middle Ages were continued in 1918-1920, when Azerbaijan became an independent State. In turn, the Azerbaijani Government, which was at that time facing serious problems in presenting itself as an independent State to the world community, got moral support from Great Britain.

On 17th November 1918, General Thompson of the British Expeditionary Corps came to Baku on behalf of the victors of the First World War. As a result of the close cooperation between representatives of the Azerbaijani People's Republic and General Thompson, a coalition government was recognized by English command on behalf of Entente States. As a consequence of negotiations with the Russian General Denikin, a demarcation line was drawn in the North of Azerbaijan and the Russians didn't dare to cross it.

By the time the English forces left Azerbaijan in August 1919, a new stage of Azerbaijan-Great Britain relations had begun.

At this point it is important to draw your attention to Great Britain's assistance of an Azerbaijani delegation facing serious problems in participating in the Peace Conference in Paris.

It was clear that the "Russian Issue" would take centre stage at the Paris Peace Conference, convened by the victors of the First World War in order to legitimise their victory. The newly established states of the South Caucasus, including Azerbaijan, were expecting many things from that conference. Unfortunately, at the very beginning the idea of a "United, undivided Russia" governing amongst participant states hindered the newly independent countries from participation at the conference. Nevertheless, British diplomats spoke in favour of the independence of Azerbaijan at many of their negotiations. That is why when the issue of warranty to protect Azerbaijani independence cropped up, the conference participants addressed Great Britain.

At a meeting of Foreign Ministers of the Entente in Paris, the British Foreign Secretary, Lord Curzon, tried to prove that the Bolsheviks' victories were very endangering to the countries of the Caucasus. In order to save these Republics, Britain was ready to step up its support.

On 11th January 1920; after assistance from the government of Great Britain, the Supreme Council of the Entente States decided to recognize the independence of the Azerbaijani People's Republic. Unfortunately, this decision didn't eliminate the Bolshevik threat from Russia. The attitude of Soviet Russia towards the South Caucasus Republics had ended the independence of these Republics.

The military invasion by Soviet Russia into Azerbaijan on 28th April 1920 deprived the Azerbaijani nation of national statehood and independence for 70 years. As a result of global politico-social processes in the world, after the collapse of the Soviet Union, the Republic of Azerbaijan restored its lost independence on 18th October 1991.
CHAPTER I.
DIPLOMATIC AND POLITICAL RELATIONS
BETWEEN AZERBAIJAN AND GREAT BRITAIN

1. Initial years of Cooperation (1991-1993)

After the collapse of the Soviet Union, the Republic of Azerbaijan restored its independence on 18th October 1991. Two days after a referendum on 29th December 1991, in which the Azerbaijani people called for independence, the United Kingdom of Great Britain and Northern Ireland declared the recognition of the independence of the Republic of Azerbaijan and its readiness to develop overall relations with it.

On 11th March 1992, the Minister of State at the Foreign and Commonwealth Office Douglas Hogg, and the British Ambassador in Moscow, Roderick Braithwaite, visited Baku. The main objectives of the visit were to mediate in attempts to find a solution to the Nagorno-Karabakh conflict by peaceful means and the establishment of diplomatic relations between Azerbaijan and Great Britain. The British delegation met the Head of the Supreme Council of the Republic of Azerbaijan, Yagub Mammadov.

At the meeting Douglas Hogg said: "We are very pleased to trace Azerbaijan's transformation into a subject of the international community. We are happy that you will be joining the CSCE."

He recalled that at a recent meeting of the Conference for Security and Cooperation in Europe, it was confirmed that Nagorno-Karabakh was an unalienable part of Azerbaijan and couldn't be withdrawn from its jurisdiction. Afterwards, a protocol on the establishment of diplomatic relations between Azerbaijan and Great Britain was signed. After an official ceremony, representatives of both states held a press conference for journalists.

Having talked briefly about the results of the visit, Douglas Hogg said: "I am the first minister of Great Britain to come to Baku. Azerbaijani know better the former Prime Minister Margaret Thatcher and Baroness Cox. ... During negotiations I became aware of the position of Azerbaijan with regard to the problem with Nagorno-Karabakh. I would like to say that in some aspects our viewpoints coincide. We fully support the statement of 28th February of the Conference for Security and Cooperation in Europe. We are in favour of the principles on indivisibility of borders and the respect of human rights. Prolonging the conflict in the region troubles us a lot."

Douglas Hogg later expressed his feeling on the pro-Armenian position of the British Member of Parliament Baroness Cox: "Baroness Cox is a very brave woman, but she isn't responsible for state policy. It is up to that state, and Great Britain adheres to an even-handed position."

On 15th July 1992, the Ambassador of Great Britain to the Russian Federation Sir Brian Fall presented his credentials on his appointment as an
Ambassador to Azerbaijan to the then President of Azerbaijan, Abulfaz Elchibey.

On 7th-8th September 1992, the former Prime Minister of Great Britain Margaret Thatcher informally visited Baku. On 7th September, Baroness Thatcher met President Abulfaz Elchibey and later participated at the signing ceremony of the agreement between the Government of the Republic of Azerbaijan and the British Petroleum and Norwegian "Statoil" companies on defining reserves and conducting preparatory works on the "Chirag" oil field and the "Shahdeniz" prospective oil field.

Speaking at the opening of an exhibition organized by British Petroleum and Norwegian "Statoil" companies on 8th September, Baroness Thatcher expressed her hopes for the development of multi-faceted relations between Azerbaijan and Great Britain.

A little after Baroness Thatcher's visit, representatives of business groups of the United Kingdom and the British Secretary of State for Trade and Industry, Michael Heseltine, visited our Republic on 28th September. During the visit, a statement on commercial and economic cooperation between two countries was signed.

On 18th February 1993, the British mass media released a statement by the Deputy Minister of the Foreign and Commonwealth Office of Great Britain, Douglas Hogg, on opening British embassies in the former Soviet Republics of Azerbaijan and Uzbekistan, and in Slovakia. It was said in the statement that the activity of British diplomatic missions in these countries would help to increase the development of democracy and transition to the market economy, and in assisting British companies trying to widen their business relations in the countries of the former Soviet Union and Eastern Europe.

It was at that time that the Head of the Supreme Council of Nakhichevan, Heydar Aliyev, visited Moscow and met the British ambassador in the Russian Federation as well as its representative in the Republic of Azerbaijan, Brian Fall. Mr. Aliyev informed him about the domestic and external situation in Nakhichevan, and requested the support of the British government in Nakhichevan and financial assistance to the autonomous republic.

On 20th February 1993, President Abulfaz Elchibey received Brian Fall. The ambassador commented on the statement of the British Foreign Minister several days ago, and said that according to that statement, a permanent diplomatic mission of Great Britain would begin acting in Azerbaijan.

It should be noted that at that time British embassies were operating only in Russia and Ukraine among the former Soviet Republics, and it was planned to open an embassy in Belarus.

On 30th May 1993, a delegation of the British Parliament, including Harold Elliston, Edward Garner, Iain Duncan Smith and John Ride visited Azerbaijan. This was first delegation of the British Parliament to visit our country. The President of Azerbaijan, Abulfaz Elchibey, received the parliamentarians. During the meeting, the head of the delegation, Harold Elliston, said that the aim of the
visit was to collect information about the Armenia-Azerbaijan conflict and to try to convey impartial information to the world community.

More intensive development in Azerbaijan-Great Britain relations began in the second part of 1993. Socio-political changes and the coming to power of an experienced statesman, Heydar Aliyev, at that time played an important role in the new development of Azerbaijan-Great Britain relations. On 22nd June 1993, when Azerbaijan was on the brink of civil war and there was a real threat to our independent state, the ambassador of Great Britain in Russia and Azerbaijan, Brian Fall, met the Head of the Supreme Council of the Republic of Azerbaijan, Heydar Aliyev. The ambassador said at the meeting that Great Britain was ready to take up all opportunities to develop its overall relations with Azerbaijan, including strengthening inter-parliamentary relationships. Brian Fall said that Britain was very much concerned about existing socio-political tensions in the republic.

Heydar Aliyev and Brian Fall expressed their assuredness about the use of all means for getting Azerbaijan out of this crisis as quickly as possible, and about the establishment of overall relations between the two countries in the future.

On 21st July 1993, the Acting President of the Republic of Azerbaijan Speaker of the Supreme Council, Heydar Aliyev, received the newly appointed Ambassador of Great Britain to Azerbaijan, Thomas Young, and Charge d’Affaires, Harold Formstone.

At the meeting, Thomas Young said that he would begin acting as an Ambassador of Great Britain to the Republic of Azerbaijan from September. Speaking about the further strengthening of friendly relationships between Azerbaijan and Great Britain, the ambassador said that Britain intended to be a close friend to Azerbaijan and that the recently emerged economic cooperation in the field of the oil industry would push it in that direction.

Heydar Aliyev said that as weighty a state as Britain was a little late in opening its embassy in the Republic, but he expressed his hopes for further strengthening of the overall cooperation between Azerbaijan and Great Britain. Touching upon the Nagorno-Karabakh problem, Heydar Aliyev informed the ambassador that these days when peace negotiations on Karabakh problem were going on, Armenian armed forces had widely attacked the town of Agdam: "...Bloody fights are going on right now around the town of Agdam. People are dying, houses are being destroyed there. This is why I am telling you this as the Plenipotentiary Ambassador of Great Britain."

Ambassador Thomas Young talked on behalf of the British Government about the indivisibility of the borders of the Republic of Azerbaijan, and he declared that in spite of the fact that Britain wasn't a member of the Minsk Group, the British Government would use all resources, including its authority as Chairman of the UN Security Council, for the success of the peace process.

Several days later, on 27th July, the British Government made a statement with regard to the occupation of the city of Agdam by Armenian military forces.
condemning the Armenian aggression. The address by the acting President of the Republic of Azerbaijan, the Head of the Supreme Council, Heydar Aliyev, regarding the continuation of Armenian aggression towards Azerbaijan was discussed at the session of the UN Security Council on 28th July and Resolution 853 was adopted. It should be noted that at that time, David Hannay was the Chairman of the UN Security Council and Great Britain contributed to the adoption of this resolution.

On 29th September 1993, Ambassador Thomas Young was received by the Acting President of the Republic of Azerbaijan, the Head of the Supreme Council, Heydar Aliyev. Ambassador Young said that his country acted in favour of adopting Resolution 853 of the UN Security Council and allocated 1 million US dollars for refugees.

The head of Azerbaijan, assessing the opening of the embassy of Great Britain in Azerbaijan and the appointment of Ambassador Young as an example of healthy policy and healthy relations, said that Azerbaijan would not forget these favourable actions and expressed his gratefulness for that.

On 12th October 1993, the President of the Republic of Azerbaijan, Heydar Aliyev, received the Minister of State at the Foreign and Commonwealth Office Douglas Hogg, during the latter's visit to Azerbaijan. At the meeting, President Heydar Aliyev thanked British guests for their participation at his inauguration and noted the fact that Douglas Hogg was the first official person whom he received as president. Afterwards, President Heydar Aliyev said thank you for the letter of congratulation sent by British Prime Minister John Major and noted that he was sure that the visit of the British Minister would be a very weighty step in enhancing inter-state relationships.

In his speech, the Foreign Minister of Great Britain, Douglas Hogg, said: "I am happy that I am the first guest you have received as president. Once again I convey the sincere congratulations of my prime minister to you. We are very interested in Azerbaijan. We are interested in enhancing our economic relationships. This is why the participation at this ceremony of "British Petroleum" representatives is not just by chance. We wish peace and security for the region."

The same day, the Minister of Foreign Affairs of the Republic of Azerbaijan, Hasan Hasanov, and the Foreign Minister of Great Britain, Douglas Hogg, held a press conference. Touching on the Nagorno-Karabakh problem, Douglas Hogg said: "The British Government is very concerned about the continuation of the conflict. We are searching for opportunities to help in the resolution of the conflict soon. That is why before coming to Baku I was in Yerevan and met the Armenian president. I declared the position of my government there, too, and said that we see Nagorno-Karabakh as an inalienable part of Azerbaijan."

10 November 1993 the meeting between the President of the Republic of Azerbaijan, Heydar Aliyev, and representatives of the then governing Conservative Party in the British Parliament, James Spicer, Andrew Rabatan and Harold Elliston is considered to be an important event in Azerbaijan-Britain and
inter-parliamentary relations. At the meeting, James Spicer said; For a long time it was impossible to establish relations with the republics of the former Soviet Union, but the British memory is strong. We have always remembered our friendly relations with Azerbaijan."

Giving a specific proposal to the President of Azerbaijan, James Spicer spoke about the necessity of the establishment of an Azerbaijan-Great Britain inter-parliamentary group and noted that this group had to be within the International inter-parliamentary Committee of the British Parliament.

The President of Azerbaijan accepted this proposal and hoped for the imminent establishment of this group. Touching on Azerbaijan-Great Britain relations, President Heydar Aliyev said: "We know Great Britain as a very influential and democratic State and I should emphasize that active contact with your country was one of the strategic directions of our foreign policy. We highly value the internal state structure and foreign policy of Great Britain. Independent Azerbaijan considers Great Britain as a very important partner for itself."

On 25th November 1993, the Extraordinary and Plenipotentiary Ambassador of the United Kingdom of Great Britain and Northern Ireland, Thomas Young, presented his credentials to the President of the Republic of Azerbaijan, Heydar Aliyev.

At the end of 1993, the British Prime Minister John Major sent a letter to President Heydar Aliyev, inviting him on an official visit to Great Britain at the beginning of 1994. Prime Minister John Major expressed in his letter his deep interest in enhancing friendly cooperation with Azerbaijan and also noted his adherence to strengthening and speeding up development of bilateral relations.

In his reply to the Prime Minister of Great Britain, the President of Azerbaijan noted that, like Great Britain, the Republic of Azerbaijan was also willing to develop overall friendly relations and cooperation between the two countries.
2. First official visit of the President of Independent Azerbaijan to Great Britain (22nd-25th February 1994)

The official visit to Great Britain of an Azerbaijani delegation under the President of Azerbaijan Heydar Aliyev on 22nd-25th February 1994 following an invitation from the British Prime Minister John Major was of paramount importance to the development of Azerbaijan-Great Britain relations.

Before departure to London in an interview for journalists, our Head of State evaluated relations between the two countries thus: "The visit of the President of Azerbaijan to Great Britain is aimed at the establishment and development of relations between our republic and Great Britain. After gaining independence, Azerbaijan managed to establish inter-state relations with as influential and big a country as Great Britain. It is just several months since the British Ambassador arrived in Baku. Our own ambassador has very recently gone to London. This means that diplomatic relations are just being established. As to extensive interstate relations, traditional political and economic relations, as well as scientific and cultural relations, are of very great importance for Azerbaijan as a newly independent country."

Touching on the importance of Great Britain for an independent Azerbaijani State, the President of Azerbaijan said: "Britain is one of the greatest countries in the World. It is one of the five permanent members of the UN Security Council and one of the seven most developed nations in the world. Britain is politically and economically one of the most influential countries due to its past history and today's position. This is why it is in our own national interests to establish close bilateral ties with Great Britain. At the same time we know that Britain is also very interested in Azerbaijan, and it is eager to establish economic relations with Azerbaijan. In general, the historical interest of Great Britain in the Caucasus, including Azerbaijan, is well known. At this stage, at the end of the 20th century, Britain is willing to establish economic relations of a new quality with Azerbaijan. A lot of work, or rather a lot of preparatory work, has already been done in this direction. Now we have to complete this work."

The President of Azerbaijan, Heydar Aliyev, was met at Heathrow Airport in London by the special representative of Queen Elizabeth II and high officials from the Foreign Ministry as well as by the ambassador of our republic in Great Britain, Mahmud Mamed-Kuliev, and the ambassador of Great Britain in Azerbaijan, Thomas Young.

After arriving at his residence in London, the President of Azerbaijan immediately began his meetings. He received the Minister of State at the Foreign and Commonwealth Office Douglas Hogg. At the meeting, the prospects of strengthening bilateral diplomatic relations and issues relating to these relations were discussed.

The same day, the President of Azerbaijan received heads of an influential
western company, GPT. During the meeting, possibilities for enhancement of cooperation in the field of modernizing the communications system of Azerbaijan were discussed and an agreement was made on the close cooperation between GPT and the Azerbaijani Communications Ministry.

On 22nd February the President of Azerbaijan met the director and other officials of the "Kaiser engineering" company at his residence. During the meeting, the company said it intended to conduct comprehensive renovation works at the Sumgayit Aluminium Factory and that, as a result, the production capacity of the factory would increase. Company representatives said that for this reason they would help to get a 200-million-US-dollar credit for our republic. During the meeting, opportunities for the establishment of relations with other metallurgy factories of Azerbaijan were also discussed.

The same day in the afternoon the former Prime Minister Margaret Thatcher came to meet the President of Azerbaijan. At a meeting lasting more than an hour, the President of Azerbaijan talked about the democratic processes and steps towards building a highly civilized society in Azerbaijan. The president said that Azerbaijan, adhering to the experience of world democracy, had chosen the way of political pluralism, free market economy and respect of human rights and wasn't going to deviate from this. President Heydar Aliyev created a clear idea for Margaret Thatcher about the main reasons and substance of the six-year war with neighbouring Armenia. The head of Azerbaijan said: "Azerbaijan doesn't want a war, Azerbaijani armed forces and people are fighting fairly to expel Armenian occupation forces from our territory and they are not going to give up in this struggle."

At the end of the meeting, the President of Azerbaijan presented a hand-woven Azerbaijani carpet to Margaret Thatcher.

The same evening, the president of the "British Petroleum" company, Sir David Simon, came to meet the President of Azerbaijan. At the meeting, Mr. Aliyev said that BP was already interested in Azerbaijan and its oil at the beginning of the 20th century. Today, close cooperation with this influential Western company has pushed forward development of the oil industry and the social sphere of Azerbaijan.

Afterwards, the president of the British company "John Brown", Ian Robinson, met the President of Azerbaijan. The prospects of our chemical industry and the role of this company in its development were discussed during the meeting.

The last meeting of President Aliyev took place on 22nd February at the Industrial Confederation of Great Britain. "British Petroleum" and the Norwegian "Statoil" companies organized this meeting. The President of Azerbaijan addressed the British group:

"Ladies and Gentlemen, good evening!

I am very pleased to meet you today. First of all, I would like to thank "BP" and "Statoil" for organizing this meeting."
As you know, I am in Great Britain on an official visit by invitation of the British Prime Minister John Major. From the moment I landed in London until now, I have been welcomed by your officials and meetings have been carried out in a very sincere atmosphere. I am going to meet the distinguished John Major and we are going to have negotiations. At the same time, this meeting with British businessmen today is very important to me.

The main objective of my visit to Britain is to enhance and develop relations between independent Azerbaijan and Great Britain. The Republic of Azerbaijan was part of the Soviet Union for many years and gained independence between the end of 1991 and the beginning of 1992. Countries around the world have already recognized it as an independent State for more than two years. Azerbaijan is moving in the direction of the establishment of mutually beneficial relations with all countries. Azerbaijan wishes to establish relations with Great Britain, one of the most developed countries, in all spheres and to develop these relations.

In enhancing its relations with Britain, Azerbaijan first of all attaches importance to the establishment and development of economic relations. I would like to tell you that Azerbaijan has a huge economic potential, having very rich underground resources. So Azerbaijan could be a very valuable partner to other countries, including Britain.

I would like to stress that Azerbaijan in its internal policy, especially in the economic field, is moving towards a market economy. Conducting economic reforms and changing the existing economic structure, our country is eager to create wide opportunities for private ownership and business. We are carrying out the necessary measures to this end. That is why there are more favourable conditions now for establishing economic relations of the Republic of Azerbaijan with other countries, including Great Britain.

As well as its economic potential, the underground and other resources, and its scientific and intellectual potential, there is also the politico-geographic location of Azerbaijan, creating favourable conditions for cooperation with other countries in the economic field. Azerbaijan's state structure and its domestic policy are the structure and policy of an independent country, meaning that Azerbaijan is already an independent state and will never lose it again. In our state structure we take into account our historical and national traditions and use democratic principles from world practice. Now the process of building a democratic state is going on and a democratic law-based society is being formed. Democratic principles have opened up a lot of opportunities in our internal life. Azerbaijan is moving in the direction of fulfilling the principles of political pluralism, freedom of speech, human rights and freedom of conscience, in the field of state policy and social policy. All these have led to the establishment of democratic conditions in Azerbaijan and have created a stable socio-political situation in the republic.

Thus, we have realized our aim of enhancing economic relations with all
countries, especially with developed ones; Azerbaijan attaches great importance to the attractiveness of Azerbaijan for foreign companies, firms and businessmen. This is why we wish British businessmen and famous firms to come to Azerbaijan. I would like to tell you that we can establish all the necessary conditions for businessmen to have joint ventures and to invest, and for other related activities.

Looking at history, it is clear that Britain has always been interested in Azerbaijan. Historical facts prove that English merchants, travellers and businessmen used to be in Azerbaijan in the 15th and 16th centuries, and at the end of the 19th and beginning of the 20th centuries, large English companies flooded to Azerbaijan. Today, during my meeting with the president of "British Petroleum", he told me that "BP" and "Statoil" had been working in Azerbaijan together for some years. I reminded him that "British Petroleum" came to Azerbaijan not several years but almost 90 years ago and participated in oil production in Baku. At the beginning of this century, I mean before 1920, British businessmen were represented widely in Azerbaijan and did a lot of work there. There is no doubt that participating in oil production, they got a lot of profit. But that process finished in approximately 1920 and there were no contacts afterwards. Today I am very pleased to say that those relations have been restored and we are continuing to call for their development.

Reminding you of these historical facts, I invite you and all British businessmen to Azerbaijan, and I want to assure you that there are broad opportunities for investment, joint ventures and business in Azerbaijan. I hope that British businessmen will use these opportunities.

I would like to touch upon one more issue. Perhaps some people avoid doing business in Azerbaijan because of this issue. This issue, as you know, is the war between Azerbaijan and Armenia, during which certain parts of Azerbaijan were occupied by Armenian armed forces. This war began with the artificially created "Nagorno-Karabakh problem" and later turned into a wide-scale war between Azerbaijan and Armenia. We don't want this war, we want to finish it, and we are trying to settle it by peaceful means with international organizations. So we are taking very serious steps in that direction. The main condition for us is that Armenian armed forces should withdraw from the occupied territories of Azerbaijan and on this basis, peace negotiations should be conducted and peace should be established. We are sure that peace will be established, the war will come to an end and the territorial integrity and inviolability of the borders of Azerbaijan will be restored. This is why this problem cannot be seen as an obstacle for businessmen in Azerbaijan. I say it with all responsibility, and let it not stop anyone from working in Azerbaijan.

I am very pleased to note that I had a meeting in London today with the heads of several big companies, including the presidents of "BP", "Kaiser
engineering", "GPT" and "John Brown." I hope that these meetings are the beginning of good and useful activities. Tomorrow we will sign a protocol with these companies and they will sign agreements among themselves. We wish to work particularly with these companies and now our wishes will be implemented in reality. This is why I invite other companies and businessmen to offer their own initiatives. I say once again that the economic potential of Azerbaijan is huge. Azerbaijan has very big enterprises in the oil, petro-chemical, mechanical, electro-technical, agricultural and light industry spheres. We have big opportunities in almost all fields of industry and we possess vast production funds. They might be used with profit. Giving all this information to British businessmen, I invite them for joint activities.

I would like to repeat that Azerbaijan is a very profitable and reliable place for British businessmen. I am sure that you will take the necessary steps to use these opportunities.

I invite every one of you to Azerbaijan. Thank you for your attention!"

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On 23rd February, President Heydar Aliyev met the Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd at his residence. Douglas Hurd gave him a letter from Queen Elizabeth II. In her letter, Her Majesty the Queen greeted the President of Azerbaijan and expressed her regrets that she couldn't meet with him because she was on an official visit abroad.

At the meeting between the Azerbaijani President Heydar Aliyev and the Foreign Secretary Douglas Hurd, they comprehensively discussed the issues regarding building relations between the two countries on a robust basis. The Azerbaijani president informed the minister about the current socio-political situation, ongoing democratic processes and the aggression of Armenia against Azerbaijan. Commenting on the position of his government on this issue, the Foreign Secretary said that there were wide opportunities for these things. Touching on the importance of the revival of the energy, oil and gas industry in the development of the economy of our republic, the president said that we were in favour of learning and implementing Britain's rich experience and joint activity to this end. A memorandum to be signed was also discussed at this meeting.

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"Azerbaijan is interested in cooperation with Great Britain in all directions. There are vast opportunities for that. We attach importance not only to
purchasing much-needed productions but also to the establishment of useful relations for our republic with your country in the sphere of agriculture."

The Azerbaijani President Heydar Aliyev said this at a meeting with the Secretary of State for Agriculture, Fisheries and Food, Gillian Shepherd. At the meeting they broadly discussed perspectives of cooperation and agreed on sending British specialists in agriculture to Azerbaijan in order to get to know the demands in specific areas, to learn more about the situation and give advice and practical assistance.

On 23rd February, a magnificent official ceremony with the Azerbaijani President Heydar Aliyev took place in the British Foreign Ministry. He was accompanied by the British Prime Minister, John Major.

Immediately after the ceremony, negotiations between Heydar Aliyev and John Major took place. A signing ceremony of British-Azerbaijani documents was held later on. Heydar Aliyev and John Major signed the "Agreement on Friendship and Cooperation", the "Agreement on elimination of double taxation", the "Memorandum on cooperation in the energy sphere", the "Agreement on cooperation in the sphere of air transportation" and the "Agreement on the protection and promotion of investments" between Azerbaijan and Great Britain.

**JOINT DECLARATION ON FRIENDSHIP AND CO-OPERATION BETWEEN THE AZERBAIJAN REPUBLIC AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND**

The Azerbaijan Republic and United Kingdom of Great Britain and Northern Ireland, referred to as the participations;

Welcoming the end of the cold war;

Attaching significant importance to co-operation in order to maintain international peace and international security;

Supporting the aims and principles of the United Nations Charter, the Helsinki Final Act, the Paris Charter for a new Europe and other documents of the Conference on Security and Co-operation in Europe;

Desiring to develop and strengthen friendly relations and mutual trust between the peoples of the two countries;

Guided by a spirit of mutual respect and in the interests of developing wide-ranging and friendly relations between their two countries and peoples, as well as their cooperation in the international fora, especially the United Nations and the Conference on Security and Co-operation in Europe, have made the

I. The British and Azerbaijan peoples look forward to growing friendship and mutual understanding. The United Kingdom and the Azerbaijan Republic are friendly states and partners within the international community. Relations
between them will he founded on a shared commitment to the principles of freedom, democracy, the rule of law and respect for human rights, enshrined in Charter of the United Nations, the Helsinki Final Act, the Paris Charier for a New Europe and other documents of the Conference on Security and Co-operation in Europe.

2. In particular, the Participants reaffirm their continued commitment to the Declaration on Principles Guiding Relations adopted at the Conference on Security and Co-operation in Europe in Helsinki on 1 August 1975, which reaffirms, inter alia, the principles concerning the inviolability of frontiers and refraining from the threat or use of force. In this respect, they will unite their efforts to promote international security, to prevent conflicts and guarantee the primacy of international law in relations between states.

3. The Participants welcome the transition from confrontation to co-operation in Europe and the world, and the resultant strengthening of the security of all states. They declare that their armed forces should be designated purely for defensive purposes. The United Kingdom and the Azerbaijan Republic are committed to the principle that the command, control and management of armed forces should be organized within the framework of democratic institutions, accountability and the rule of law. The Participants attach the highest importance to the maintenance of international stability and security during this time of deep transformation in Europe and in the former Soviet Union. They declare their commitment to the peaceful settlement of disputes by political means and through dialogue.

4. The United Kingdom and the Azerbaijan Republic will work together to consolidate and carry forward agreements for the reduction of offees and armaments.

5. The Participants will encourage inter-Parliamentary co-operation and contacts between legislative and executive bodies in the two countries, and will promote the exchange of experience in the preparation and implementation of legislation. The Parties will give all appropriate assistance to the development of contacts between public-private organizations in the two countries.

6. The Foreign and Commonwealth office of the United Kingdom and the Ministry of Foreign Affairs of the Azerbaijan Republic will hold regular consultations on both bilateral and international, including regional, questions.

7. The Participants share the view that it is the objective of Governments to establish conditions for the development of free enterprise and of the creative abilities of individuals. They are committed to bilateral co-operation in condi-
tions of a free market, economic liberation, free trade and sound management.

8. The Participants believe that the integration of the Azerbaijan Republic into the world economic system is an important objective. This process will encourage private investment, stimulate trade and assist the more effective utilization of the Azerbaijan Republic's resources. The United Kingdom stands ready to support the Azerbaijan Republic's application for suitable financed arrangements with the International Monetary Found, and other international economic organizations.

9. The Participants acknowledge that there is potential for an increase in trade between the two countries. They believe that economic reform, agreement on debt questions and the creation of a clear legal environment for investment will establish conditions for greater involvement by British companies in the Azerbaijan Republic.

10. The Participants consider it especially important that closer relations in different areas should be developed between all the countries of Europe. The Azerbaijan Republic welcomes the United Kingdom's longstanding commitment to an outward-looking European Union. The United Kingdom will continue to support the development of effective ties between the European Union and the Azerbaijan Republic.

11. Both sides expressed their conviction that the present Declaration provides a firm basis for enhanced and mutually beneficial relations. They look forward to the further development of relations in the future.

12. This Declaration will come into effect on signature.

Signed in duplicate at London this twenty-third day of February 1994 in the Azeri and English language, both texts having equal validity.

These agreements, signed between the independent Republic of Azerbaijan and Great Britain, began a new era in bilateral relations between the two countries. As Baroness Chalker said: "These agreements are the building blocks of relations between our two countries and in the future, a great building will be established on them."

In the afternoon of the same day, the President of Azerbaijan and his entourage visited the famous Westminster Abbey. Abbey officials met President Heydar Aliyev. The head of our country bowed his head at the Obelisk of the Unknown Soldier - a memorial of British soldiers killed in many wars - and walked along the aisles of the famous building.
Later, the President of Azerbaijan and his entourage visited the Royal Institute of International Relations. Professors and teachers of the institute warmly greeted Heydar Aliyev. Firstly, the Rector of the institute sincerely welcomed the Head of our country on behalf of the professors and teachers of the institute. Later, Heydar Aliyev spoke in front of the meeting participants:

**Speech of the President of Azerbaijan Heydar Aliyev:**

- Ladies and Gentlemen!
  
  I am very thankful for the invitation to the Royal Institute of International Relations and for the opportunity to speak at this distinguished auditorium. I consider this as an opportunity to inform you about Azerbaijan, our way of life and the development of a fledgling state. I would like to stress that Prime Minister John Major invited me to the United Kingdom and I arrived in London yesterday on an official visit. I have already had meetings with the presidents of several companies. Yesterday, wonderful conditions to meet businessmen were created and today I have had an official meeting with the Prime Minister of the United Kingdom, Mr. John Major.

  I can inform you that negotiations were conducted in very comfortable conditions, and I think they were successful. The signing of serious documents on inter-state relations between Great Britain and Azerbaijan is the proof of that. Eight documents have been signed, of which Mr. Major and I signed six. The statement on Friendship and Cooperation is the most important among them.

  I am not going to go into the substance of the other documents. I just want to say that Mr. Major and I signed a memorandum on cooperation in the energy field, including the oil industry. Negotiations and signed documents constitute very good conditions for rapid development of economic relations between United Kingdom and Azerbaijan.

  We attach great importance to this visit in Azerbaijan. This is the first visit of the President of independent Azerbaijan to Great Britain. I would like to repeat again that this is of great importance for the Republic of Azerbaijan. We consider Great Britain to be a weighty country, which is respected in international politics and occupies a significant position in world economy. It is rich history and traditions, and cooperation with Great Britain could teach us a lot.

  I would like to stress, too, that British officials with whom we have already had meetings have been extremely hospitable to us. Briefly, we are satisfied with the beginning of our visit and would like to hope that this visit finishes on the same good level.

  I understand that you are probably interested in many things and I am ready to talk about Azerbaijan as much as needed, but I have been told that time is limited and I have not much time either. That is why I will try to give you the most important information in the time I have been allowed.

  The president of the institute noted that you had have very little information
about the Transcaucasian and Central Asian republics. In the discussions I have had in London since yesterday, I have become aware that there is indeed too little information about Azerbaijan in Great Britain. Certainly, this is our fault that we haven't been able to spread enough information about our nation, way of life and situation in the country. I hope that our visit and today's meeting will bridge this gap to some extent.

Azerbaijan was one of the republics of the Soviet Union - as you know there were 15 Republics comprising the USSR - and gained independence after its collapse. I think that the collapse of the Soviet Union was the logical result of sociopolitical processes going on within the Soviet Union and all over the world in the last few decades. The Union had to break down, and when it collapsed all the republics got their independence. We are very happy for Azerbaijan's becoming an independent state. Our nation had been waiting for this independence for decades and centuries.

Azerbaijan had been a part of the Russian empire for approximately 200 years, of which the last 70 years were within the Soviet Union. It is true that within a very short period of history, Azerbaijan had established an independent democratic state. That happened between 1918 and 1920. Unfortunately, two years later this state stopped functioning after the establishment of a Soviet regime in Azerbaijan and all Transcaucasia.

Like other nations of the Soviet Union, the Azerbaijani people had also gained much in the way of economic and social development during 70 years of this state's existence. In that period, the educational level of our people increased and a strong economic potential had been established in the republic. At the same time, there was no freedom and independence in Azerbaijan. This is why the Azerbaijani people were very pleased to be given the opportunity of independence. Today, Azerbaijan is functioning and will function as an independent state. The will of our nation is to strengthen our independence and not allow anyone to deprive us of this freedom ever again.

As an independent state, Azerbaijan considers its national interests in establishing its internal and foreign policy. Of course, in this case, national peculiarities, past history and national traditions as well as world and international experience in the field of state building are being taken into account. This is very important: Azerbaijan is moving forward and has turned away from the communist ideology and economy and the socialist system of state-building.

There is no basis, I think, for discussions on the possibility of the restoration of socialist systems and communist regimes in Azerbaijan or the other former Soviet republics. I can say that with certainty about Azerbaijan, at any rate. At the same time we haven't forgotten that the independent state of Azerbaijan is just two years old and these two years has passed in very difficult conditions.

Like in all the former soviet republics, overall and deep socio-economic crises as a result of transition from one socio-economic formation to another one have definitely made the situation in Azerbaijan more difficult. Unlike in the
majority of former soviet republics, there is also another reason making the situation in Azerbaijan difficult. This is the war between Armenia and Azerbaijan and the aggression of the Armenian armed forces against Azerbaijan. As a consequence of that aggression, Azerbaijan lost up to 20 percent of its territory. In other words, Armenian armed forces have occupied part of the territory of Azerbaijan. More than one million Azerbaijanis living in that territory have been forced to leave their homes and are now living in very bad conditions.

All these are the obstacles of the independent period of Azerbaijan but regardless of these problems, we are working towards building a democratic state and actively dealing with the state building issues. Azerbaijan, building its state on democratic principles, as I said a little earlier, takes into consideration its national peculiarities and past history, but first of all, it tries to benefit from the experience of developed and long-time democratic nations.

We are trying to build a democratic law-based society in Azerbaijan, a society which would provide every freedom to Azerbaijani citizens, namely freedom of speech, freedom of conscience, freedom of privatization, the sufficient protection of human rights, the legal equality of all Azerbaijani citizens regardless of their nationality or political views, political pluralism, a multi-party system and press freedom. These are the main characteristics of democratic law-based society being formed in Azerbaijan.

Azerbaijan is a multi-ethnic state and regardless of nationality, all Azerbaijani citizens possess equal rights. We consider the multi-nationality of Azerbaijan as a positive aspect.

As I said, we have declared a multi-party system in Azerbaijan and more than 40 political parties and organizations have since been registered. All these parties have their own mass media. As a whole, in Azerbaijan, a small country with population of 7 million people, more than 600 newspapers and magazines are being published.

They say that it is not very convincing that there are 40 parties in Azerbaijan and 600 newspapers are being published. Perhaps. But in England with its longstanding democratic traditions, there are just several main parties and the number of newspapers is as many as in Azerbaijan. At the same time, one can understand to some extent the situation in a young country just stepping into independence and democratic development.

It is important that domestic life in Azerbaijan is being built on the principles of democracy, the multi-party system, political pluralism and overall human rights. At the same time, it is clear that we have to improve this system, gain experience and use the experience of Western democratic countries. This needs time. I think that Azerbaijani society will get this step by step.

In the field of foreign policy, Azerbaijan declared the policy of building legal and mutually beneficial relations with all countries of the world. Azerbaijan is a member of United Nations and participates in the activities of several international organizations and I repeat that Azerbaijan is trying to establish normal rela
tions with all states of the world. We take as a starting point the fact that these relations on the one hand should bind the independent state of Azerbaijan to the world community and on the other hand should provide the development of the relevant economic, scientific, technical and cultural relations in the name of the interests of Azerbaijan.

Azerbaijan, by its geographic and geopolitical location, is situated on the threshold of Europe and Asia, and as such is intending to build good relations with the countries of Europe, Asia and the West. Of course, in this case, we take as a basis the fact that these relations should not consider the interference of other states in the internal business of Azerbaijan and should not damage territorial integrity and the inviolability of our republic's borders. Certainly, Azerbaijan attaches great importance to the establishment of closer relations with neighbouring countries. There do exist normal relations with our northern neighbour Russia as well as with neighbouring Turkey and Iran. We established normal relations with Georgia but we are at war with Armenia, with which we have very long borderline.

Our relations with European countries are developing although rather slowly. I visited France in December. We met the President of France, Mr. Jacques Chirac; authorities of this country held negotiations and signed a document on cooperation. This moves on from the need to develop economic, scientific, technical and cultural relations. From this point of view we attach great importance to the establishment of closer relations with the United Kingdom of Great Britain and Northern Ireland. There is an old and very rich history to Great Britain - Azerbaijan relations. As far back as the 15th and 16th centuries, English merchants and travellers visited Azerbaijan. At the end of the 19th and beginning of the 20th centuries, the British actively entered Azerbaijan and occupied very lasting position in its economy, especially in the oil industry. Thus, we have experience in inter-state economic cooperation and a weighty history. Now we are ready to cooperate with Britain in all spheres. As I said, the documents signed today open wide opportunities for such cooperation.

The main problem of international scale for us is to end the war with Armenia, stop military actions, restore the territorial integrity of Azerbaijan and ensure the inviolability of our borders. This problem has worsened a great deal.

We in Azerbaijan strongly adhere to the peaceful resolution of this conflict. We attach paramount importance to the participation of international organizations in the settlement of the conflict. When I say international organizations, I mean the United Nations, its Security Council, the CSCE and the Minsk Group. Of course, we also attach great importance to the capabilities of leading world countries, namely the United States of America, the United Kingdom, Russia and Turkey. We want the world community clearly and precisely to know the situation. Azerbaijan doesn't want a war or the continuation of war actions; we are in favour of quitting war operations but with a reservation: Armenian armed forces must withdraw from the occupied territories of Azerbaijan. We are in favour of
conducting peace talks in these conditions. It is known that war operations are being
carried out on the Azerbaijani territory. You see a map of Azerbaijan in front of you.
You may clearly see here Azerbaijan, its borders, and the Autonomous Republic of
Nakhichevan. The Autonomous region of Nagorno- Karabakh has been part of
Azerbaijan since 1923. At the end of 1987 and the beginning of 1988, the artificially
created so-called "Karabakh Conflict" kicked off.

The population of Karabakh consisted of 70 percent Armenians and 30 percent
Azerbaijanis. Unfortunately, all Azerbaijanis living in the territory of
Nagorno-Karabakh, more precisely 50,000 Azerbaijanis, were driven out of that
territory as a result of aggressive war actions. This is just one part of the story. Armenian
armed forces, expanding their operations, also occupied a large part of Azerbaijan far
from Autonomous Nagorno-Karabakh. These are the Lachin, Kalbajar, Agdam, Fizuli,
Jabrayil, Zangilan and Qubadly regions of Azerbaijan.

As I said, more than one million people were forced to leave their homes in that
territory and became refugees living in very difficult conditions. As a result of the
occupation of these regions of Azerbaijan, huge parts of Azerbaijani borders with Iran
are being controlled by Armenian armed forces.

As a consequence of these military actions, the Autonomous Republic of
Nakhichevan with a population of 350,000 has been subjected to a total blockade.
Communications connecting Azerbaijan with Nakhichevan - railways, roads, telephone,
energy and other lines are on the territory of Armenia and they have been cut off. The
Autonomous Republic of Nakhichevan now only has an air connection with other
regions of Azerbaijan.

All these are the consequences of the aggressive military operations of the
Armenian side. This is why our requirements Azerbaijanis and wishes are to stop
aggressive war actions, withdraw all military formations from occupied territories and
establish conditions for the return of the population of those territories to their permanent
homes. Regretfully, many things have already been destroyed and plundered there and
people have been deprived of their homes and belongings, collected over several
generations. This is, in fact, brutality towards the Azerbaijani population, but
nevertheless we are not in a position of irreconcilability. We consider that Azerbaijan
and Armenia are neighbour states and should live in peaceful and friendly conditions.
We think that it is impossible to be enemies, to fight forever. We need to restore the
relations of our recent history, but only with the precondition of the restoration of
Azerbaijani territorial integrity.

As far as faith and the problems of the Armenian population of Nagorno- Karabakh
are concerned, they are citizens of Azerbaijan and therefore the Azerbaijani State
guarantees the security of all the Armenian population of Nagorno-Karabakh. We are
ready to think over the issue of an appropriate status for Nagorno-Karabakh but only in
the case of the unquestioning withdrawal of Armenian armed forces from the occupied
territories. I would like to say again that, first of all we rely on the capabilities of
international organizations in solv
ing this problem and hope for assistance and concern, I mean an impartial approach to the settlement of this problem form politically influential world powers like Great Britain.

As we know, in September last year Azerbaijan joined the Commonwealth of Independent States consisting of 12 of the former 15 Soviet Union republics. As a member of the Commonwealth of Independent States, we hope for a close role of Commonwealth member-states in the settlement of this problem. A CIS Summit took place in Asgabat on 24th December. I spoke gave an official statement there on Armenia's military aggression towards Azerbaijan and evaluated the state of war between two CIS members, Azerbaijan and Armenia, as unacceptable and abnormal. Shortly, we are seeking a peaceful settlement for this conflict and hope for the close assistance of the world community.

In spite of all the difficulties that the independent State of Azerbaijan is facing today, the domestic political situation in Azerbaijan is now stable and normal. So, Azerbaijan, which has great economic and industrial potential, with its underground and other resources and rich intellectual potential, could be a good place for economic cooperation for all countries, including Britain.

Yesterday, when speaking to British businessmen, I invited them to Azerbaijan. I address you with the same request and appeal. I would like to inform you that cooperation with Azerbaijan isn't limited to the oil industry: unfortunately it seems that when you mention Azerbaijan, it is imagined first of all as an oil country. Of course, we will continue cooperation with the "BP", "AMOCO" and "Pennzoil" companies as well as with the Turkish Oil Company. I think that a commercial agreement may be signed soon.

In this regard, as I said, Azerbaijan has many other opportunities for economic cooperation. For instance, let's look at the "Kaiser Engineering" company. Yesterday I met its president. Today a protocol on bilateral aluminium production has already been signed. We have a strong oil-chemical complex and wide opportunities. Yesterday I met the president and other representatives of the "John Brown" company. Today we have already signed a protocol. I am sure that there are possibilities for our active cooperation. Good cooperation between the Azerbijani Ministry of Communications and the "GPT" company has been established. Azerbaijan possesses a big machinery complex. This complex consists of oil machinery, electro-technical, electronic, instrument-making and carmaking industries. The availability of production equipment, for some reasons not working at full capacity, creates comfortable conditions. I can assure you that coming to Azerbaijan you can establish good economic relations. The state, including the president will guarantee the reliability of this cooperation.

I thank you for your patience in listening me. I am ready to answer all your questions.

**Question:** President Ter-Petrosyan, who was here two weeks ago, said that Azerbaijan can't guarantee the security of the Armenian population of Nagorno-Karabakh, unlike Georgia did for Abkhazia. The point is about recog
nition by the Abkhaz people of territorial realities. How do you see this issue? Could foreign peacekeeping troops provide security there? Ter-Petrosyan thinks that it will be very difficult to create a reliable guarantee for the population of Nagorno-Karabakh.

**H. Aliyev:** I think that Mr. Ter-Petrosyan didn't inform you correctly. I said and declare that Azerbaijan guarantees the security of all the Armenian population of Nagorno-Karabakh. As I said, Armenian military formations are on Azerbaijani territory and they occupied almost 20 percent of it. They have to withdraw. Only afterwards can we talk about ensuring security. As to guarantees, they are absolutely fulfilled. I told you that we hope for international organizations, especially the CSCE and the Minsk Group very much. Certainly, we would like to see observers from the Minsk Group and the CSCE look at what each side is doing. If international organizations, including the CSCE and the Minsk Group consider it necessary to send peacekeepers to Azerbaijan we will not reject. War is happening on Azerbaijani territory. We are ready to accept all conditions and to use all capabilities to withdraw Armenian military formations from occupied Azerbaijani territory.

**Question:** Bloody confrontations between Armenians and Azerbaijanes have been going on since the 9th century, when Turkish tribes came to this region. It is time for historical concessions, isn't it? I mean territorial concessions. Haven't Armenians raised such an issue during negotiations? Armenia gets territory connecting Nagorno-Karabakh with Armenia; territory between Nakhichevan and Azerbaijan could be given to you.

**H. Aliyev:** Firstly, whether this conflict has been going on since the 9th century or since later periods can't be said by anyone. I think that there is no need now to go into the history, especially in depth. If we have to research the historical facts, I should tell you that part of modern Armenia was the territory of Azerbaijan. I can show you that territory. It is called Zangezur. At one time these lands belonged to Azerbaijan and between 1918 and 1920 they were given to Armenia. Briefly, if we look at history, it is seen that Armenia owes a lot to Azerbaijan. Now I would like to say that we don't claim the Armenian territory and its borders. At the same time we can't agree to give up even one meter of our own territory. As to your territorial exchange idea, it isn't a new one. It is one of the repeatedly offered proposals. If there is a real need, we can discuss this idea too.

**Question:** As far as history is concerned, of course, different countries can have their ideas and claims. In this regard we recall the history of Palestine and other issues. This conflict began when Gorbachov sent Aganbekyan to Paris. He had two speeches in Paris, addressed Armenians and people of Armenian origin and for the first time touched on the Nagorno-Karabakh issue. If we speak from the historical viewpoint, it is clear that there has never been a conflict between Armenians and Azerbaijanes in history. We lived close to each other in silence. It seems to me that the finger of blame should be pointed either at
Moscow or at the people of Nagorno-Karabakh. If it is true, their forces caused the beginning of this conflict.

**Second question:** Are we speaking only about the Nagorno-Karabakh armed forces? As it is written in the Western press, most likely, we are speaking about Armenian armed forces.

**H. Aliyev:** First of all, people of Armenia and Azerbaijan have really lived in peace and friendship for decades. I used to be the Head of Azerbaijan, from 1969 until 1983. There were normal relations between Armenians and Azerbaijanis, including Nagorno-Karabakh. I went there several times. The Nagorno-Karabakh problem was launched by certain alien powers. Secondly, it is true that speaking in Paris in November 1987, the academician Aganbekyan said that Nagorno-Karabakh should join Armenia. He also added that this issue had been agreed with Mikhail Gorbachov. This caused a bloody conflict. So, the people who caused the death of thousands of people, both Armenians and Azerbaijanis, and who are guilty in this conflict should be brought to account.

As far as the second question is concerned, it is so in fact. There are roughly 100 thousand people living in Nagorno-Karabakh now. Even taking into consideration youngsters, elderly people and women, are they able to fight a war to displace more than 1 million people living in surrounding territories from their historical homeland? There is no doubt that this is aggression by the Republic of Armenia against Azerbaijan, these are Armenian armed forces, who are using their military advantage and getting assistance from abroad, and who have managed to occupy such a big part of Azerbaijan.

**Question:** You mentioned in your speech that you welcome international mediating efforts for the settlement of the conflict with Azerbaijan. How did you react when the neighbouring Republic of Iran offered its mediating assistance? I am also sure that you can say something about Iran-Azerbaijan and Iran-Armenia relations. Is there any progress in Azerbaijani policy towards Iran?

**H. Aliyev:** There are normal relations between Azerbaijan and Iran. Until very recent times due to the fault of the previous Azerbaijani government these relations were of an abnormal character. Now our relations are all right and there are no problems between us. At the same time there are very good relations between Iran and Armenia. This is why Iran declared that it could play a mediating role between Azerbaijan and Armenia. In this connection Iran addressed Armenia. Armenia agreed. We think that one country can't provide mediation in such a difficult situation: the conjunction of efforts by international organizations and several countries is needed. One should have a clear and precise idea of conditions and real abilities to take in hand this mediation.

Thank you very much for your attention. I invite all of you who want to know about the real situation in Azerbaijan to visit our country.
The same evening, the President of Azerbaijan Heydar Aliyev met Azerbaijanis living in the English capital at the "Hilton" hotel. This meeting in London might be considered to be an important event in the direction of solidarity for Azerbaijanis all over the world. Speaking at this interesting meeting Heydar Aliyev said: "... The hearts of Azerbaijanis living abroad should beat unanimously with the pulse of Azerbaijan. In spite where one lives, whether conditions are good or bad, everybody thinks of his motherland. Azerbaijanis know that at last we have our own independent State - the Republic of Azerbaijan, a motherland for Azerbaijanis. This is holy Azerbaijani soil. Thus, regardless of where you are or what country you live in, you must think about Azerbaijan, the independence of Azerbaijan, its territorial integrity and the future of Azerbaijan. This is why I am so happy that Azerbaijanis are gathered in this salon here today."

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On 24th February, the President of the Republic of Azerbaijan, Heydar Aliyev, met and talked with a group of journalists accredited in Great Britain and editors-in-chief of the country's newspapers.

The president later met the Minister of State for Overseas Territories, Baroness Chalker. During the meeting, a common position was expressed that broad economic potential and developed infrastructure was very important for all countries, including Great Britain.

Ms Chalker, expressing her thoughts on the documents signed between Azerbaijan and Great Britain (the Agreement on Friendship and Cooperation as well as the Memorandum on Cooperation in the Energy sphere) said that these documents were the cornerstones of bilateral relations and the building of future cooperation would be set up on that.

The Minister made proposals about the representation of Azerbaijani economic interests not only in Britain, but also in the European Economic Community, and said that they would try to use all the possible political tools for facilitating the settlement of the "Nagorno-Karabakh problem" within the framework of the CSCE. Baroness Chalker also said that there were sincere friendly relationships with the Chairman of the CSCE Minsk Group, Mr. Ellison, and she believed him to be an impartial person; she would discuss with him the resolution of this conflict, and would inform him of the position of Azerbaijan. Increasing efforts in the coordination of humanitarian assistance to Azerbaijan not only from Britain but also from some countries of the European Economic Community was promised.

It became clear at the meeting that our people found in the face of Baroness Chalker a real friend to represent our interests in the West.

The same President of the Republic of Azerbaijan had a meeting at the
European Bank of Reconstruction and Development. It should be noted that financial support for several concluded bilateral agreements falls to the responsibility of this bank.

At the meeting with authorities of the bank, President Heydar Aliyev expressed the idea that it was time to move from words to actions and prepare concrete plans for investments in Azerbaijan. Bank authorities agreed with this idea and said that the necessary steps would be taken to support economic reforms in Azerbaijan and to develop Azerbaijan-Great Britain relations. Attention to the financing of several large-scale financial programmes in Azerbaijan would be increased. At the meeting there were discussions on the concrete financial programme and dialogue on the realization of that programme took place.

One of the most important parts of the visit of the Azerbaijani President to Great Britain were his meetings at the lower house of the oldest Parliament in the world - the House of Commons.

The Parliament of Great Britain is situated at Westminster Palace. According to traditions of the Parliament, firstly the Prime Minister, John Major, talked to the House and later he answered questions.

During the meeting at Parliament, the issue of establishing a special parliamentary group on Azerbaijan was discussed and the content of the group was approved. President Heydar Aliyev had an interesting discussion with members of the group. During the meeting, different sides of the socio-political processes going on in Azerbaijan were touched on.

While in Parliament, Heydar Aliyev met an active supporter of Armenian and especially "Nagorno-Karabakh" interests in Western Europe and, primarily, in Britain, Baroness Cox. The Azerbaijani President talked about the reasons for and all aspects of the Nagorno-Karabakh problem and said that the Azerbaijani people didn't want to see an enemy in the face of Baroness Cox but a friend. This is why if the Baroness comes to our republic and is made aware of the situation. It would very help her to create a clearer idea about what is happening there.

On 24th February, President Heydar Aliyev met the President of "Buffalo Airways" and "Aviation Lizit Group" companies, an Azeri originally from Southern Azerbaijan, Farhad Aziman.

It is known that the US companies "Buffalo Airways" and "Aviation Lizit Group" transfer "Boeing" aircrafts to Azerbaijan on the basis of partial payment.

A broad project on the development of civil aviation in Azerbaijan with the "Buffalo Airways" and "Aviation Lizit Group" companies was crafted. It was agreed at the meeting that companies would give to Azerbaijan two 250-seater "Douglas" aircrafts. With the assistance of Farhad Aziman, the Norwegian Bank in London marked out a big credit for Azerbaijani Airlines' State Concern.
The same day, the President of Azerbaijan, Heydar Aliyev, spoke at a press conference dedicated to the results of his official visit, with the participation of more than 35 media representatives:

- Dear Ladies and Gentlemen!

My visit is about to finish and tomorrow we are going home. Our main work has been done and therefore I have agreed to meet today with media representatives, to give you some information and answer your questions.

As you know, my official visit to Great Britain took place on the invitation of the Prime Minister, Mr. John Major. Today is the third day that we are in London. During this time, our programme has been almost entirely fulfilled. That is why I can tell you that I am satisfied with the results of the visit. First of all, my meeting and negotiations with Prime Minister John Major were very important. Before that, we met ministers and the presidents of several big companies. At the meeting with the Prime Minister we had an opportunity to talk about many issues concerning Azerbaijan-Great Britain relations, the situation in the Transcaucasian region and the modern international situation.

The negotiations were held in sincere and highly favourable conditions as well as conditions of mutual understanding. British authorities created these conditions. Most important is that we agreed about prospective steps in the field of intensive development of relations between Azerbaijan and Great Britain. I mean inter-state affairs, economic cooperation and cooperation in the field of science, technology, culture and other related spheres.

Issues of economic cooperation and, more precisely, cooperation between British companies and the Republic of Azerbaijan, occupied an important part of our negotiations. In this regard, the participation of the "BP" company in the exploitation of Azerbaijani oil fields and the agreement with a consortium of Western oil companies were of great importance. One attaches special attention to an agreement with the oil companies. I think that at our meeting and negotiations, we fully clarified all these issues.

As a result of our negotiations, very important documents for relations between our countries were signed. They are, first of all, the Declaration on Friendship and Cooperation between United Kingdom and Azerbaijan, the Memorandum on Cooperation in Energy, including the oil sphere ("BP"), and several other documents. During this visit at the beginning of our cooperation - and I consider that this visit lays the foundation of Azerbaijan-Great Britain cooperation - eight documents were signed. These documents and the agreements we have achieved allow us to say that there are good perspectives for the development of relations between Azerbaijan and Great Britain.

I should say that I had very interesting meetings and negotiations with the Secretary of State and Commonwealth Affairs, Douglas Hurd, the Secretary of State for Trade and Industry, Michael Heseltine, the Secretary for Agriculture and Energy, the Minister of Oversees Territories, Baroness Chalker, the State
Minister, Douglas Hogg, as well as with the presidents of several big companies. I got the opportunity to speak at the meeting with representatives of your businessmen. I spoke about opportunities of active cooperation with Azerbaijan in the field of economy.

I find it very important that I got a chance to speak at the Royal Institute of International Relations. I have been today at the European Bank and talked to its committee of directors. I was also invited today to the UK Parliament and participated at a session when Prime Minister John Major answered Parliament members' questions. Later I had substantial talks with Parliament members, both representatives of Conservative and Labour Parties, as well as with Lords, including Baroness Cox, who is not very popular in Azerbaijan. We had very interesting talks with parliamentarians and I was allowed to speak in front of them.

I stress with great satisfaction that the Group of Friendship, or the Interparliamentary Group between the United Kingdom Parliament and the Parliament of Azerbaijan has been set up. This group builds relations with the Azerbaijani Parliament and with Azerbaijan as a whole. We are talking about establishing active Interparliamentary relations between our countries. I attach great importance to that as well.

I had an opportunity to express clearly the position of the Azerbaijani leadership on internal and foreign policy issues at all levels. Our domestic policy is aimed at building a democratic law-based society, providing conditions for the development of democracy in Azerbaijan, the rule of democratic principles, political pluralism and a multi-party system and the ensuring of human rights, personal freedoms, freedom of speech and press and conscience as well as equality in the eyes of the law for all Azerbaijani citizens regardless of their national, religious and political identity.

Azerbaijan has assumed obligations in the field of socio-economics in establishing favourable conditions for the development of a market economy and private business, liberation of economic life, attraction of foreign capital and investment to Azerbaijan and creation of favourable conditions for foreign investors. Briefly, it is a question of a free market economy. In this regard I invited everybody interested in economic cooperation with Azerbaijan to our country, and I mean that Azerbaijan is thoroughly open to the world, especially for investments, and Azerbaijan is open for economic cooperation to the business community of Great Britain. I said and repeat again to you that Azerbaijan has favourable conditions for economic cooperation and investments and our state guarantees the protection of investments and the interests of foreign companies beginning cooperation with Azerbaijan.

In foreign policy, Azerbaijan directs its efforts towards preserving normal and mutually beneficial relations with all states of the world - neighbouring countries, countries to the West and to the East, and especially European nations. As an independent nation, taking as a basis its national interests, Azerbaijan will carry out its foreign policy in the direction of strengthening its international posi-
tions and national independence.

The war between Armenia and Azerbaijan is a very painful and serious problem for Azerbaijan. This war has lasted for six years and is a result of aggression by Armenia against Azerbaijan. This war was created artificially, beginning with the so-called "Nagorno-Karabakh problem" and expanding into a large-scale war and the loss of a huge number of lives from both sides. The heavy consequence of this continuing war going for us is that almost 20 percent of Azerbaijani territory has been occupied by Armenian armed forces and one million people from those regions have become refugees in their own country. They were forced to leave their homes and lose their houses and belongings. Naturally, all this weakens both the economic and the social conditions of Azerbaijan, but most importantly, this seriously damages the independence, sovereignty and territorial integrity of our republic.

We, I mean the Azerbaijani side, are trying to stop military actions, war and bloodshed and settle these problems by negotiations, by peaceful means. At the same time, the Armenian side continues its military actions and wishes to achieve its goals by forceful methods or military actions. This is why, naturally, we have to respond. The goal of the Armenian side is to get independence for Nagorno-Karabakh, divide Azerbaijan and deprive Azerbaijan of part of its territory. We can't, of course, agree to that, therefore, simultaneously with efforts to solve the problem by negotiations, we are taking measures to defend our territory, our soil. It is natural that all this leads to military actions and these actions, unfortunately, are still going on. At the same time, I reiterate that we don't want the continuation of military actions: we are in favour of a peaceful resolution to the problem.

Proposing the peaceful settlement of the conflict, we take measures to strengthen our armed forces. Nobody must think that our wish to solve the problem peacefully is a sign of our military weakness. No, we simply don't want a war. At the same time, I state that if the Armenian side doesn't agree to the peaceful resolution of the conflict, of course, Azerbaijan will use all its power to liberate the lands occupied by Armenian armed forces and to achieve its territorial integrity, inviolability of borders and full independence and sovereignty.

Proposing the peaceful settlement of this problem, we very much rely on international organizations - the United Nations Security Council, the CSCE and its Minsk Group and other international organizations. They can do a lot and in fact can solve this problem. In this regard we hope for the active participation of representatives of the United Kingdom in the peace process within international organizations.

One of the important results of my visit to the United Kingdom is that together with establishing a good basis for the development of relations between our countries, we managed to give, perhaps not as much as we wanted, but anyway, enough information about Azerbaijan, the real situation in the republic, especially the existing situation as a consequence of the Armenia-Azerbaijan war.

I invited Prime Minister John Major to Azerbaijan for an official visit. The
invitation was accepted and we are now agreeing the time and length of this visit. I also invited the heads of several other countries as well as members of the British Parliament to our republic. We would like more representatives of your country to come to Azerbaijan because it gives an opportunity to analyze and impartially evaluate the situation in our country, and primarily the problems related to the ongoing Armenia-Azerbaijan war.

I am very satisfied with the results of my visit and I am grateful for the hospitality shown here in Great Britain to us. I am going back to my motherland in an exultant mood.

Thank you for your attention. If you have any questions I am ready to answer them.

**Question:** (TASS Agency) Heydar Aliyevich, would you comment on Russia's position on Nagorno-Karabakh? How do you evaluate its position?

**Answer:** Russia is making an effort to get a peaceful resolution to the problem. Russia has offered its mediating efforts and several times has tried to implement them. Very likely it was on 20th November, when we received a project of agreement between Azerbaijan and Armenia with the participation of Russia on stopping military actions and the withdrawal of Armenian armed forces from occupied territories. At that time, this initiative wasn't implemented. On the territory of Azerbaijan, Armenian armed forces opened fire on Vladimir Kazimirov, Ambassador-at-Large and special representative of the Russian President, going from Azerbaijan to Armenia. The Russian leadership, in the shape of the Foreign Minister and authorities of the Council of Ministers, gave a very harsh response and demanded excuses from the Armenian side for, let's say, its unethical position towards the special representative of the Russian President. The Armenians ignored that. Thus, that negotiation process was left halfway. Nevertheless, Russia today is once again making an effort to solve the problem peacefully.

**Question:** ("The Economist") If you don't mind I will ask you to say again a little more about economic cooperation in the field of the oil industry. You talked about the signing of a memorandum, but has the agreement been concluded or not? Moreover, is there any decision about the envisaged route of a future pipeline?

**Answer:** I think that if the Heads of States, Mr. John Major and I, signed a memorandum on cooperation in the field of energy, including cooperation with "BP", this is a major factor itself. It should be followed by a commercial agreement. It should be signed between Azerbaijan and the Consortium. "BP", "Statoil", "Pennzoil", Turkish Oil Company and several other firms constitute the Consortium. To my mind it will be implemented soon.

As far as the oil transportation route is concerned, it seems to coincide with the signing of a commercial agreement, probably in autumn.

**Question:** ("Balkans" agency) I have two questions. First, if the first project of agreement has been refused, are you talking today about the preparation of a new agreement? Second, how do you evaluate the prospects of economic cooperation between the Black Sea countries?
Answer: Firstly, we didn't refuse the agreement, it simply didn't exist. The negotiations were underway, our positions were defined to some extent, and the agreement had to be signed on that basis. We considered it necessary to analyze all the issues deeply. You should take into account that oil is the major resource of the Azerbaijani people and the Azerbaijani state and before signing the agreement for a 30-year period everything must be repeatedly thought over. We haven't done that. Evidently nothing has changed. We are simply dealing with those issues more deeply. As to the Black Sea countries' cooperation, we participate in this process and evaluate that process positively.

Question: (The "European" newspaper) If I am not mistaken, you spoke yesterday about the readiness of Azerbaijan to provide a guarantee for the security of Nagorno-Karabakh Armenians. What kind of substantial proofs can you give us about those guarantees?

Answer: What kind of proofs? If I, the President of Azerbaijan, say as a Head of State, that our state promises to the global community to guarantee the security of the Armenian population of Nagorno-Karabakh, this guarantee will be provided and implemented. There is no need for additional proof By the way I would like to say that before 1988, when the conflict began, Nagorno-Karabakh Armenians had lived very well in this region of Azerbaijan.

Question: ("Muslim News" agency) Is Great Britain making an effort to mediate in settling the conflict between Armenia and Azerbaijan?

Answer: We would like Great Britain to participate more actively in solving our problems within international organizations and we are ready to accept the mediating efforts of the government of the United Kingdom.

Question: ("Pravda" newspaper) Mr. President, there is widespread news, or rather widespread assumptions in the British mass media that the Azerbaijani leadership connects the issue of the full preparation and signing of an oil agreement with the issue of closer participation by the West, including Great Britain, in the settlement of the Nagorno-Karabakh problem. Please, let us know; is there really a direct link between these two issues? At the same time, could you tell us, how do you see the potential possibilities for Russia, as a Caspian Sea littoral country, in exploiting the natural resources of the Caspian Sea?

Answer: There is no direct link. At the same time, approaching such a big agreement - this is a very long-term agreement, you know - we would like, of course, to hope that the countries, with which we are going to cooperate on exploiting oil fields for decades, will offer political support to Azerbaijan as well. Not for something special to be done for our republic by those countries, but for assistance in the just resolution of a problem that concerns the Republic of Azerbaijan.

Thank you for your participation at this press conference. Come to Azerbaijan!
In the evening of the same day the President of Azerbaijan received Jandamir Onhon, the Turkish Ambassador in Great Britain and later met Turkish journalists and British banks' representatives.

On 25th February, the President of the Republic of Azerbaijan, Heydar Aliyev, visited the Stokely Park office of the "British Petroleum" company. "BP" Executive Director Christopher Ride informed the head of Azerbaijani state about the results of the research carried out by this company on studying the Caspian shelf. Slides and video film displaying "BP" research and technology were shown to the Azerbaijani delegation.

Company authorities talked about the "BP" viewpoint on the Caspian oil reserves and their perspectives. The idea was expressed that analysis of the oil-rich Caspian shelf is of principal importance from the viewpoint of expanding economic cooperation between the two countries. There was comprehensive talk at the meeting about possibilities for the implementation of available experience of this company in the field of research in the sea shelf in Azerbaijan.

The Azerbaijani president highly evaluated the cooperation of one of the most powerful oil companies in the World and expressed his assuredness that this cooperation would positively influence the revival of our independent state's economy as well as the thorough development of social spheres. Cooperation with "BP" will be useful from the viewpoint of learning advanced experience, establishment of production fields meeting world standards, implementation of most modern technologies and preparation of highly qualified personnel.

The same day, the Azerbaijani President, Heydar Aliyev, visited Oxford University, considered to be one of the oldest and biggest think-tanks in the world. In honor of the President, an official reception with the participation of well-known scientists of the university had been organized. At the meeting, the establishment of bilateral relations was discussed.

The Rector of the University said that he received a great deal of information about the intellectual level and the level of scientific development in Azerbaijan and he thought that scientific relations between Azerbaijan and Great Britain could be important for the development of both nations. Moreover, students' exchanges, exchange of information between different universities of our countries as well as training courses for aspirants and highly qualified scientists was of paramount significance. The University authorities thought that British science could also benefit from the achievements of Azerbaijani science.

The Azerbaijani President, speaking to scientists at Oxford University, talked about the ongoing socio-political processes in our republic, the artificially created "Karabakh problem", as well as about the aggressive war carried out by Armenia against Azerbaijan and different options of diplomatic settlement of the difficult situation in the region, and spoke about the results of his official visit to Great Britain.

During the official visit of the Azerbaijani President to Great Britain, a memorandum on cooperation between Azerbaijan's Academy of Sciences and the
London Society of Great Britain was signed. According to this document, parties will establish close relations in all spheres. The Royal Society Fund will allocate resources for internships of Azerbaijani scientists in this influential scientific centre. The parties will conduct Joint research and will hold seminars in different fields.

The London Royal Society, one of the famous scientific centres of the world, was established in 1666 and it possesses the functions of an academy of natural sciences. Several brilliant scientists, the founders of many worldwide scientific fields, used to be members of this society.

The official visit of the President of Azerbaijan, Heydar Aliyev, to Great Britain finished on 25th February. At Heathrow Airport, the Azerbaijani President was seen off by the special representative of Queen Elizabeth II, officials from the Ministry of Foreign Affairs, the Ambassador of Azerbaijan in Great Britain, Mahmud Mamed-Kuliev, and the Ambassador of Great Britain in Azerbaijan, Thomas Young.
3. From traditional cooperation to friendship and partnership (1994-1998)

On 30th March 1994, Mahmud Mamed-Kuliev, appointed as Ambassador Extraordinary and Plenipotentiary of the Republic of Azerbaijan to the United Kingdom of Great Britain and Northern Ireland, presented his credentials to Her Majesty Queen Elizabeth II. Speaking at the official meeting, Ambassador Mahmud Mamed-Kuliev told about the importance of widening friendly relations between Great Britain and Azerbaijan for our newly independent republic. At the same time, the ambassador expressed his gratitude to Her Majesty the Queen for the position of the British Government in the Armenia-Azerbaijan conflict.

Her Majesty Queen Elizabeth II expressed her regrets that she hadn't been able to meet the President of Azerbaijan, Heydar Aliyev, in London due to her trip to the countries of the Caribbean Sea. Ambassador Mahmud Mamed-Kuliev invited Her Majesty the Queen to visit Azerbaijan any time she wished.

In honour of the presentation of his credentials by the Azerbaijani Ambassador to Great Britain, an official reception was organized at the "Intercontinental" Hotel in London. British politicians, businessmen, well known people of science and culture as well as our fellow countrymen living in England took part in the reception.

On 23rd May 1994, the President of Azerbaijan Heydar Aliyev received the British Industry and Energy Minister Tim Eggar and his delegation, who had come for the exhibition on oil and gas production in the Caspian Sea, to be opened on 24th May.

The delegation consisted Ken Forrest, director the Oil and Gas Directorate, British Trade International, Steve Remp, president of "Ramco", representatives of "British Petroleum", Christ Roydd and Eddy Baythed and representatives of other private business, David Whiteman, John-Dan Kauna and Richard Pollock.

At the meeting, the President of Azerbaijan expressed his satisfaction at the agreements on cooperation between the two countries, including cooperation in the sphere of energy, signed during his visit to Great Britain. President Heydar Aliyev, referring to information from the State Oil Company, told Tim Eggar that the next round of negotiations on joint exploitation of the "Azeri" and "Chiraq" oilfields by foreign oil companies had been successfully completed in Istanbul on 20th May and opportunities for the signing of these agreements had been raised. The president noted that the international exhibition organized by British firms and the Azerbaijani Chamber of Commerce and Industry would help this.

Industry and Energy Minister Tim Eggar, called the opening of the exhibition a very important event and noted that this was considered to be the case in many countries, including Great Britain. Tim Eggar said that his country attached great importance to the documents signed with Azerbaijan in London. The Minister
also stressed that they understood in London that there were big opportunities for cooperation, not only in the field of oil and gas exploitation, but also in other spheres, like telecommunications and metallurgy.

At the meeting, the Minister Tim Eggar, gave the President of Azerbaijan, Heydar Aliyev, a letter from the British Prime Minister, John Major.

On 24th May, the President of Azerbaijan, Heydar Aliyev, and the British Industry and Energy Minister Tim Eggar, took part at the opening ceremony of the first international exhibition on oil and gas output in the Caspian Sea in Baku, organized by the British "Spearhead Exhibition" company and the Azerbaijani Chamber of Commerce and Industry. The Azerbaijani President, Heydar Aliyev, speaking at the opening ceremony, touched on the cooperation of Azerbaijan with Western oil companies. He said: "...Taking this very important and responsible step for our country, we take as a basis the national interests of the Republic of Azerbaijan and the mutually beneficial principle both for our State and for oil companies, who have decided to invest in our economy.

I am very pleased to note that not only Western oil companies but also the leaders of these countries, like British Prime Minister John Major, are taking part in this process. Mr. John Major expressed his thoughts about those issues in his letter to me, and it was reflected in the relevant agreement between our countries on cooperation in the field of energy. I am very pleased to emphasise the participation of the UK Industry and Energy Minister, Mr. Tim Eggar, at the opening ceremony of the exhibition who came to Baku especially to take part in this event."

Speaking at the ceremony, the British Industry and Energy Minister, Tim Eggar, noted: "... We should work together. We should find different ways of cooperation using the opportunities given by modern technologies. Today's event gives us an opportunity to build new relations on current relationships."

On 7th June 1994, the Azerbaijani President, Heydar Aliyev, received the Ambassador of Great Britain in our republic, Thomas Young, on his request and had a very valuable exchange of views on relations between the two countries. The President of Azerbaijan said the concern of Western oil companies with regard to an unsigned "Note" from the Russian Foreign Ministry on the status of the Caspian Sea presented to the British Embassy in Moscow was "groundless hesitation". President Heydar Aliyev noted that during his talk with the Russian Prime Minister, Victor Chernomyrdin, on 31st May, it was clarified that the Russian head of state was surprised by the appearance of such a "Note." He said that Russia hadn't raised the issue on the status of the Caspian Sea and didn't intend to review this issue and that Azerbaijan could express this statement on his behalf. The Azerbaijani President told the British ambassador to inform the participants of negotiations with Western oil companies in Istanbul on joint exploiting of the "Azeri" and "Chirag" oilfields about the position of the Russian Prime Minister. The President expressed his confidence that this stage of negotiations would end positively and the signing of agreements would accelerate.
On 27th July 1994, the Azerbaijani President, Heydar Aliyev, received a member of the British House of Lords, the director of the "Sedgwick Marine" company Lord Nicholas John Albert Fairfax. The President of Azerbaijan said at the meeting: "Business and politics are mutually bound spheres. This is why I think that the activeness of UK businessmen towards our republic is a result of my meetings with the British Prime Minister, John Major, famous parliamentarians and representatives of different companies during my visit to Great Britain."

Lord Fairfax informed the President of our republic of the situation at one of the biggest insurance brokers, a company he himself was head of. Lord Fairfax said that this was the first visit by the head of "Sedgwick Marine", which had a working experience of more than 10 years with former Soviet Republics. The company, with a 1 billion pound sterling budget and 15 thousand employees, has representatives in Moscow and Kazakhstan.

Nicholas Fairfax continued: "I was met in Baku very sincerely and talked to many people wishing to build a market of insurance services here. I hope that our business begins successfully in Azerbaijan and that we are able to open a representative office of our company here."

At the end of the meeting, the Azerbaijani president expressed his hopes that Lord Fairfax, using his position and influence, would be able to help Azerbaijan with other issues.

On 13th September 1994, Heydar Aliyev received a member of the British Parliament, Harold Elliston. At the meeting, Mr. Elliston said: "This is my fourth visit to Azerbaijan. Once again I can see that very serious economic changes are taking place in your country. When you meet people, you can immediately feel new and positive aspects in the life of independent Azerbaijan. I know very well that all this has become possible as a result of measures taken under the leadership of President Heydar Aliyev."

Harold Elliston talked about his own and his colleagues’ efforts to make the British public and senior officials aware of information they had gathered on the Armenian aggression against Azerbaijan and the political and economic life of our republic. He informed the Azerbaijani President about the prospects of activity of the Britain-Azerbaijani friendship group and expressed his conviction that relations between the two countries would develop more strongly from now on.

Harold Elliston also talked about close relations with the Azerbaijani Embassy in the Great Britain. Touching on Great Britain-Azerbaijani relations at the meeting President Heydar Aliyev said: "I think that relations between Great Britain and Azerbaijan must develop very fast. In February this year during my official visit to London I met British Prime Minister who agreed with me entirely on this point."

Therefore, I receive with great pleasure every delegation from your country. I know that these contribute to the development of relations between our countries and also to the spread of true information about the Azerbaijani Republic all over the world, including Great Britain.
Then Heydar Aliyev said: "I am aware that there is a friendship group with Azerbaijan within Great Britain's Parliament. I approve of the work of that group and want to thank you for your work inside that group.

"The signing of the treaty between the Western oil consortium led by Azerbaijan and "BP" demonstrates the beginning of a new stage in relations between our states." These thoughts have been taken from the congratulatory letter of the British Prime Minister to the President of the Republic of Azerbaijan on the occasion of the signing of the so-called "Contract of the Century."

On 19th September 1994, Tim Eggar, the British Industry and Energy Minister visited Baku together with a delegation from the government consisting of members of the British Parliament and businessmen in order to participate in a triumphal ceremony organized on the occasion of the signing of an agreement reached between the Azerbaijan State Oil Company and the Consortium of Western Oil Companies.

On 20th September, the President of Azerbaijan, Heydar Aliyev, received Tim Eggar, the British Industry and Energy Minister. At the meeting the president of Azerbaijan said: "The implementation of the joint exploration of the oil resources on the Caspian shelf is a rather complicated process."

Talking about the contract signed on the joint exploration of marine oil deposits, the President of Azerbaijan noted that the signing of the contract was the continuation of a great deal of work and that the cornerstone of this work was laid during his official visit to London in February of that year. The president recalled the contract on the exploration of energy resources in the Azerbaijani sector of Caspian and said: "We have come a long way since that time and surmounted many obstacles." The President of Azerbaijan also noted that now relations between Azerbaijan and Great Britain had acquired new features. Heydar Aliyev said: "Now we are allies."

He expressed his hope that this development in relations between the two countries would continue in the future. Letters to the President of Azerbaijan from the British Prime Minister, John Major and the Secretary of State for Trade and Industry, Michael Heseltine are proof of this new stage of cooperation. Tim Eggar presented these letters to the President of Azerbaijan, Heydar Aliyev, on the same day.

At the meeting, British Energy Minister Tim Eggar said that today he was the most delighted person. He appreciated the signing of the contract as an important step and at the same time noted that a big leap forward had been made in the development of relations between the two states. Although there were some prob
lems related to the implementation of the contract, according to Tim Eggar, their elimination was possible. He especially emphasized the role of the Azerbaijani president in the signing of the contract and said that the implementation of the contract would serve the interests of both nations. He also expressed his conviction that the participants of the consortium - the "British Petroleum" and "Ramco" companies of Great Britain - would certainly succeed.

In his congratulatory letter sent to the President of Azerbaijan, Heydar Aliyev, British Industry and Energy Minister Tim Eggar once more noted; "The signing of this contract is an achievement gained as the result of the hard work of the parties concerned. However, there is no doubt that without your own farsighted leadership, this contract could have not been signed."

On 27th November 1994, the President of Azerbaijan, Heydar Aliyev, visited the USA in order to participate in the 49th session of the United Nations General Assembly. There, he met Douglas Hurd, the Secretary of State for Foreign and Commonwealth Affairs.

In his interview given to journalists after the meeting, Mr. Hurd said: "I am very pleased with the meeting with the President of Azerbaijan, Heydar Aliyev. I think that cooperation with Azerbaijan is beneficial for both parties. We comprehensively discussed this issue with President Heydar Aliyev. The British and Azerbaijani governments will do their best to strengthen relations between our states."

The British ambassador to Azerbaijan, Thomas Young, invited President Heydar Aliyev to participate in a glorious ceremony planned for 6th-7th May 1995 in London dedicated to the end of World War II in Europe. At his meeting with the President, he appraised the relations between the two states as being on the excellent level. He also talked about the significant role played by the Azerbaijani embassy in Great Britain in the development of these relations.

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Notable achievements were gained in the intensification and development of bilateral relations between Azerbaijan and Great Britain in 1995. That year saw two visits by the President of Azerbaijan, Heydar Aliyev, to Great Britain, and another visit by Tim Eggar, the British Industry and Energy Minister, to Azerbaijan to participate at the second International Caspian Oil and Gas exhibition. Both were conspicuous events.

The President of the Azerbaijani Republic, Heydar Aliyev, participated in celebrations held in the capital cities of England, France and the Russian Federation on
the occasion of 50th anniversary of the end of the World War II. As is usual on his visits to foreign counters, and in London also, our head of state held many meetings without taking time out to rest. Approximately an hour after his arrival in the English capital, he met Douglas Hurd, the State Secretary of Foreign Affairs, to discuss issues of the nations' unity.

During the meeting it was noted that all efforts should be mobilized towards strengthening relations between our friendly nations, which have ancient historical traditions, and elevating the cooperation on economic, trade and cultural fields to a new stage. The Secretary of State expressed his satisfaction with the established friendly relations between the president, Heydar Aliyev, and himself and stressed the importance of the development of cooperation between our nations. In his address to the president of the Republic of Azerbaijan Douglas Hurd noted: "Mr. President, you are a very valuable person to me and I consider you as my teacher. Every six months you teach me a good lesson. I still need these lessons. This is how I learn your opinion about the processes going on in the Caucasus, in your region and generally in the world."

Expressing his gratitude to Douglas Hurd for his sincere words, Heydar Aliyev thanked the British government and Prime Minister John Major for the invitation to London and stated: "You say that I am a valuable person to you. But I also need you very much. Because during each meeting I have the opportunity to inform you of events going on in our region and the just work carried out by Azerbaijan, which subsequently contributes to the widening of cooperation between our countries and providing the active participation of Great Britain in the solution of the heart-rending problems of our republic."

By using maps the Head of our Republic comprehensively explained to Douglas Hurd the real situation in Azerbaijan that emerged as a consequence of the Armenian aggression. The Secretary of State listened to this information very carefully and appreciated very highly the continuation of the cease-fire regime. Afterwards, Douglas Hurd expressed his desire to find out Heydar Aliyev's considerations about the possible ways of solving this problem. The president of the Azerbaijani Republic stated that for this purpose there is a need to exert pressure on Armenia in order to squeeze it from the position of force. Armenia should respect the territorial integrity and inviolability of the frontiers of Azerbaijan, should abide by the principles of the UN and the OSCE and should forego its aggressive intentions. For the achievement of all these objectives, Heydar Aliyev asked Great Britain to influence other states as well. The head of our state said that Azerbaijan did not want war, however, it could never agree to allowing its territories to remain under occupation.

By particularly emphasizing the interest of the British government in establishing firm relations with Azerbaijan in every sphere, Douglas Hurd noted that his government would take the necessary measures for closely contributing to the solution of the problems of our government.

The President of the Republic of Azerbaijan, Heydar Aliyev, met John Major, the Prime Minister of Great Britain on May 6. The Prime Minister said that he
well recollected the previous meeting with the President of Azerbaijan and stressed the
great importance of the London agreement signed in February 1994 on the development
of relations between our countries. According to the Head of the British government, our
countries were already becoming long-term allies. Underlying the importance of the
steps taken by both sides for the development of cooperation, Heydar Aliyev talked
about the situation with the implementation of the contract between our republic and
Great Britain on the exploration of oil deposits in the Azerbaijani part of the Caspian
Sea. He said that Azerbaijan was cooperating with several oil companies in Great
Britain. A 30-year contract has been signed, in which "British Petroleum" has a share of
17%.

The head of our state gave broad information to the British Prime Minister on the
Armenian-Azerbaijani conflict. At the meeting it was stated that despite the fact that the
cease-fire had been preserved for almost a year, some of the lands of our republic were
under Armenian occupation and more than a million of our citizens were living in severe
conditions.

Heydar Aliyev emphasised that Azerbaijan seriously needed support from Great
Britain in the peaceful resolution of the war and asked for the assistance of the British
government in recognising the territorial integrity of Azerbaijan.

The head of our republic talked about the socio-political situation in the country
and also about works carried out towards the preservation of Azerbaijan's independence
and the establishment of a state within the rule of law. Talking satisfactorily about the
great improvement of Azerbaijan's image in Europe for the last a year and half, John
Major noted that our country was now regarded as a reliable partner for the development
of investment. He said that Great Britain was interested in Azerbaijan becoming a strong
state. The Prime Minister stated that his government would assist Azerbaijan in the
development of the market economy. John Major said that Great Britain would help
Azerbaijan by all means for the achievement of all these, and for the resolution of the
conflict by peaceful means within the framework of international organisations.

The President of the Republic of Azerbaijan met Tim Eggar, the British Minister
for Industry and Energy on 7th May in London. Mr. Eggar greeted the Azerbaijani
President Heydar Aliyev as his closest friend and expressed his delightedness of seeing
him in London. The minister remembered his previous meetings with the head of our
state fondly and said that he considered the president to be a close friend.

During the meeting, President Heydar Aliyev talked about the present situation in
our country and about the work done towards the implementation of the "Contract of the
Century." The British minister told President Aliyev about his recent trip to the United
States and about negotiations held with the leadership of
the "Exxon" company. In his view, Azerbaijan had made a very wise step by conceding five percent to "Exxon" from its own share. Mr. Eggar said that "Exxon" was one of the leading companies in the world and that it was on good terms with "British Petroleum."

Particular attention was paid to the discussion of recently emerged issues relating to the status of the Caspian Sea. It was noted that Azerbaijan was expecting serious support from Great Britain on this issue. In the president's view, since Great Britain has long-term interests in Azerbaijan, it has to assist Azerbaijan in the peaceful resolution of the Armenian-Azerbaijani conflict, the return of refugees to their homes and the implementation of economic reforms in our republic.

A wide exchange of views on the transportation route of the oil pipeline from Azerbaijan was also discussed at the meeting. It was noted that at present there are several variants for this route and according to Azerbaijan this pipeline should pass through Turkey. By touching on some articles published in the foreign press. President Heydar Aliyev said that Armenia has occupied Azerbaijan's territories and more than one million of our citizens have become refugees. Therefore, there would be no way for us to agree to this pipeline passing through Armenia. However, if the Armenian Republic were to withdraw all its armed forces from all Azerbaijani territories including Shusha and Lachin, and if the sovereignty and territorial integrity of our country were provided, only with these conditions the issue of pipeline passing through the Armenian territory could be discussed.

According to both parties, the contract signed between Azerbaijan and Great Britain for 30 years would create a reliable precondition for the long-term cooperation of our states and would give a shove to the development of our countries. Using Mr. Eggar's expression, we can say that his personal friendship with Heydar Aliyev would serve as an example for our nations and states.

The President of the Republic of Azerbaijan met the British Secretary of State for Trade and Industry, Michael Heseltine, on 7th May, in London. Meeting the head of our state very cordially, Mr. Heseltine recalled his previous meeting with pleasure and said that it was one of the most interesting meetings of his life.

President Aliyev also expressed his pleasure with the meeting and said that he considered Mr. Heseltine as his friend. By touching on the meetings with British Prime Minister John Major, and Douglas Hurd, the State Secretary on Foreign Affairs and issues of the two nations' unity, the President of Azerbaijan said delightedly that broad economic relations were forming between Great Britain and Azerbaijan.

Paying special attention to the development of our economic relations, Mr. Heseltine stressed the need to establish contacts not only between oil companies.
but also between different businessmen. Azerbaijan is a country of interest for Great Britain. Great Britain deeply believes in President Heydar Aliyev and intends to lay large investments in Azerbaijan, he said. According to Mr. Heseltine, the end of the war and the acceleration of reforms towards the transition to a market economy could contribute to the strengthening of our economic relations.

Touching on the plans and intentions of some countries with regard to the status of the Caspian Sea, Heydar Aliyev noted that Azerbaijan did not reject participation in these discussions. Our country stands for the preservation of the commonly accepted norms and the non-trampling of Azerbaijan's rights in this regard. The head of the republic stressed that Azerbaijan truly needed Great Britain's support in this issue.

After the official negotiations, President Heydar Aliyev received Tony Blair, the leader of the Labour Party of Great Britain at his headquarters in London. By expressing his satisfaction with this meeting, the head of the Republic of Azerbaijan displayed his interest in the activity of the Labour Party. Talking about the recent achievements of the party, Heydar Aliyev congratulated Mr. Blair on this occasion. At the meeting, which took place in a cordial and friendly atmosphere, the leader of the party said that he was honoured to make the acquaintance of the President of Azerbaijan.

President Heydar Aliyev talked about the socio-political situation in Azerbaijan, about the establishment of democracy, political pluralism and availing the opportunity at the meeting, he invited the Labour Party to participate as observers in the parliamentary elections to be held in October in Azerbaijan. The head of our state underlined that representatives of the party coming to Azerbaijan and observing the elections was very important.

Mr. Blair thanked the President of Azerbaijan for this invitation and said that the development of democracy, the establishment of political pluralism and the principles of the market economy were very significant for the independent republics of the former Soviet Union.

On the same day the President of Azerbaijan, Heydar Aliyev, met the Lord Mayor of London. The Head of our Republic talked with satisfaction about the high level of celebrations in London dedicated to the 50th anniversary of the end of World War II and thanked the Head of the city municipality for all these events. In his turn, the Lord Mayor noted that he was aware of the fact that Azerbaijan and Baku oil played an important role during World War II.

President Heydar Aliyev noted that the fight against German fascism during World War II was a common objective of all the nations of the world and those countries participating as allies in this fight contributed worthily to the victorious
end.

Then President Heydar Aliyev received the delegation from the "British Petroleum" headed by the chief executive officer of the company, Sir John Browne. At the meeting that took place in a cordial atmosphere, Heydar Aliyev called John Browne's attention to the fact that the companies included in the consortium had to implement more speedily the arrangements reflected in the contract of 1994. Sir John Browne thanked the President of Azerbaijan for receiving them, despite his tough schedule and said: "In my view, the cooperation of foreign oil companies with Azerbaijan is developing very successfully." However, he also confessed that some works needed to be done to accelerate the pace of this process.

After listening carefully to the information given by the "BP" president, the head of our republic talked about his meetings with Terry Adams, the company's representative in Baku and expressed his belief that several important decisions would be taken at the meeting of the Supreme Committee of the Consortium on 8th June to be held in the capital of Azerbaijan. According to Heydar Aliyev, all the necessary measures should be taken for speeding up the work.

Approving Sir John Browne's words that the programme would be implemented on time according to the contract, Heydar Aliyev said that some people were sceptical about this. He noted that there were some forces inside the republic as well as in several foreign countries that were trying to create a negative opinion about this contract. According to our President, with the efforts of the companies included in the consortium as well as with the help of "British Petroleum", these suspicions were being eliminated. However, more serious steps were to be taken for this purpose.

The President of our Republic also talked about the negotiations going on in Istanbul on the joint exploitation of the "Shahdeniz" oil deposit together with the "BP" company. In his words, this deposit is also very rich in oil and gas and many foreign companies display a big interest in it.

Mr. Browne expressed his intention to consult the President of Azerbaijan about certain issues and emphasised that the issue of pipeline transport was causing serious interests and attracting attention. The oil consortium mainly unites businessmen and the opinion of the Azerbaijani government and its people about the route of the pipeline is very important to them. This business also very much depends on the relations of Azerbaijan with the countries through which the pipeline would pass. The second issue, using John Browne's expressions, concerns the necessity of carefully choosing a route that would cost less and would be used for a long time. After listening to his interlocutor attentively President Heydar Aliyev said:
"This really is a serious issue. Yesterday I had a comprehensive conversation on these issues with Douglas Hurd, your Secretary of State on Foreign Affairs and issues of our two nations' unity, with Tim Eggar, the Minister of Industry and Energy and with Michael Heseltine, the Secretary for Trade. I told them that there were several issues here and that we should settle them together."

* * *

On the same day, in London, not far from the ancient Tower Bridge on the bank of the River Thames many people gathered in front of an attractive building on top of which the flag of the independent state of Azerbaijan was waving. Our compatriots living in London and students studying there came to the opening ceremony of our centre of culture. This centre of culture was created within a short period of time with the considerable help of Mahmud Mamed-Kuliev, Ambassador Extraordinary and Plenipotentiary of Azerbaijan to Great Britain, and with the participation of musician Farhad Bedelbeyli and our compatriot Muslim Eldarov.

After the meeting with Mr. Douglas Hurd the Head of our republic, Fleydar Aliyev, also came here. Our compatriots, who had gathered in front of the building, met the president warmly with flowers. Afterwards, the triumphal opening of the Azerbaijani Centre of Culture took place. The head of state cut the ribbon at the entrance of the centre.

This gallery pertaining to our country and situated in the ancient European city of London is a very sacred place for every Azerbaijani person. At the entrance of the gallery there are photos dedicated to our courageous fighters, who displayed a matchless heroism in the World War II. The works of Azerbaijani painters are also displayed at the Centre of Culture. The head of state looked at these pictures very attentively. Then he noted that the creation of the centre was of great importance. After making his acquaintance with the centre, the President of Azerbaijan, Heydar Aliyev, shared his thoughts about the operation of this centre in London with journalists and said: "Without doubt I am glad, because the independent Republic of Azerbaijan is extending and increasing its relations with foreign countries. In Great Britain, in one of the most beautiful parts of London, in a good and comfortable building, an Azerbaijani cultural centre has been opened.

"Here we have the opportunity to preach our culture and this is an outstanding event. I am happy and proud to be at the opening of such a centre. This proves once more that Azerbaijan displays and proves its independence everywhere. The independence of our state is maintained both by our domestic and foreign policy and by the spread of our culture and science.

"It is very important for us to provide information about the independence of our state, its rich culture, past and future, to all nations of the world. It is a great pity that the great history, rich culture and achievements of our nations are hard
ly known beyond the borders of Azerbaijan. For the last few years we have repeatedly noted this. Better recognition of our country means that it holds its deserved place in the world community.

"I just met Douglas Hurd, the Secretary of State on Foreign Affairs and our two nations' unity. We talked for more than an hour. We talked about many problems. I have met him several times. We have repeatedly talked in different countries and at the different events of international organisations. Every time I felt that my words and information about Azerbaijan enlarge and deepen his knowledge and thoughts about Azerbaijan.

"Therefore such steps are very notable. I congratulate you, especially the initiators of the establishment of this Centre of Culture - Farhad Bedelbeyli, Muslim Eldarov and Azerbaijani representatives working here. I also would like to emphasise the efforts of the Azerbaijani Embassy in Great Britain in the opening of this centre. I suppose that with these steps we can enhance the process of Azerbaijan's recognition in the world."

President Aliyev sincerely greeted our compatriots who gathered at the opening ceremony and addressed them:

"Azerbaijanis have already made themselves known as a nation. Do not forget about your being Azerbaijani. We have a beautiful language, culture, history and past. We have a future better than this. We also now have an independent Azerbaijani state.

21 May 1995, Tim Eggar, the British Industry and Energy Minister, together with the representatives of the business circle accompanying him visited our country in order to participate in the international exhibition called "Caspian Oil and Gas 1995."

The president of the Republic of Azerbaijan received Tim Eggar and his accompanying representatives and said that Azerbaijan was on the eve of a big event: "An international exhibition called 'Caspian 1995' will be held in Baku and participation of Great Britain's companies in this event is a very positive sign." President Heydar Aliyev expressed his hope that meetings and negotiations to be held during the course of the president's present meeting would create a valuable opportunity for the widening of mutually beneficial relations between the two countries.

Recalling the fact that in the last few years this was his third meeting with the President of Azerbaijan in London, Mr. Tim Eggar said that this indicated the high level of relations between our countries. Also dwelling on the course of work concerning the implementation of the oil consortium concluded between Azerbaijan and Western oil companies, he expressed his satisfaction with the measures taken towards this end.
Sharing Tim Eggar's view, President Heydar Aliyev stressed that the "Contract of the Century" had laid the foundation of long-term cooperation between Azerbaijan and Great Britain. However, this project, which is supposed to last for a period of 30 years, is not the last accord of this cooperation, since there are big potential opportunities for both digging the oil and the establishment of mutually beneficial cooperation in other spheres. Heydar Aliyev said with conviction that these opportunities would be explored.

While talking about the international importance of the oil contract, the President of Azerbaijan noted that both in West and in the East the "Contract of Century" was causing interest, but that there were supportive as well as envious people. This should increase our vigilance, because many problems are being invented to thwart the implementation of the contract, he said. Nevertheless, all these obstacles cannot hinder our work, he said. Expressing his attitude on the issue of the occasional claims on the status of Caspian Sea, the president said that Baku was not avoiding discussions on the issue. However, as the first country digging for oil in the Caspian, Azerbaijan's interests should be respected. Moreover, Azerbaijan is the first country to conclude an international contract on the exploration of the oil resources of this water basin.

The British Energy Minister defended President Heydar Aliyev's words and said that despite all the difficulties, the oil contract should be implemented. Regarding the status of the Caspian Sea, he maintained that the relevant international legislation was a very difficult one, since this was a very rare water basin. Nonetheless the issue should be solved on the basis of proposals initiated by Azerbaijan, he said.

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On 23rd October 1995, the president of the Republic of Azerbaijan met the British Prime Minister, John Major in New-York. At their meeting, Heydar Aliyev reminded the British Prime Minister of his previous visit to Great Britain and said that since that time a lot of work had been done for the development of the cooperation between Great Britain and Azerbaijan. The Azerbaijani President recalled that one of the documents signed at that time concerned the joint exploration of the oil deposits in the Azerbaijani sector of the Caspian Sea. Heydar Aliyev noted that Great Britain's "British Petroleum" company was participating very actively in the contract between the Azerbaijan State Oil Company and influential foreign companies signed in September 1994. Touching on the decisions on export pipelines of the first crude, taken at the meeting of the High Committee of the International Consortium held on 9th October, the President emphasised that our relations were expanding more and more.

During the meeting, British Prime Minister John Major satisfactorily talked about the Azerbaijani President's visit to Great Britain and said that even at that
time Britain was exploring the opportunities of investment climate in Azerbaijan, as a result of which "British Petroleum" had invested in Azerbaijan. Noting especially that this route has already justified itself and that the workers are very content in this regard, the Prime Minister also expressed his delightedness with the decision on the transportation of the first crude oil, taken with Heydar Aliyev's help. In his view, our cooperation had to be expanded also in many other areas.

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On 15th November 1995 the President of the Republic of Azerbaijan received Francis Richards, chief counsellor on CIS and Eastern European countries at the Foreign and Commonwealth Office.

Mr. Richards said he was honoured to visit Azerbaijan and to meet President Heydar Aliyev. He said that despite the fact that he had been to Azerbaijan about 20 years ago, this was his first visit to independent Azerbaijan. The guest from Great Britain talked satisfactorily about the changes that had taken place in Azerbaijan since that time and expressed his content with the development of relations between our countries. He said that the Prime Minister of Great Britain was very pleased with his meeting with Heydar Aliyev in New York.

Talking about the good relations established between Azerbaijan and Great Britain, President Heydar Aliyev said that on our side we were paying special attention to taking all the necessary measures to develop these relations.

President Heydar Aliyev appreciated very highly the involvement of British businessmen in Azerbaijan and the active participation of the "British Petroleum" company in the joint exploration of the oil deposits as an important element of relations between our countries, and said that there were even broader possibilities for enhancing our cooperation.

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The Azerbaijani President's next visit to Great Britain in 1995 lasted from 28th November until 3rd December. The primary aim of this visit was to acquaint Great Britain's business circle with Azerbaijan and to encourage their financial involvement in investment opportunities in Azerbaijan. However, other issues such as the strengthening of economic relations between the two countries, negotiations on the assurances of the financial protection by the British government of companies investing in Azerbaijan, and other measures were also the subjects of discussion.

Before leaving for the Great Britain, in his interview given to the journalists at Baku's Bina airport, the head of state said:

"You know that since I first became President of Azerbaijan, I have paid a lot
of visits to foreign countries. Most of these visits took place at the invitation of the heads of states of the countries I visited and were very efficient. At the same time I led the Azerbaijani delegation and represented our country at a high level meeting of international organisations. However, my present visit has another feature. This visit concerns Azerbaijan's economy.

"It is a very good and positive sign that the forthcoming international conference is an event stemming from the interest shown by the big world economic institutions and financial centres to Azerbaijan. It is commonly known that the headquarters of the worldwide famous Adam Smith Institute is situated in London. The employees of this institute implement eminent economist Professor Adam Smith's ideas and are dealing with the issue of the effective development of economy, and especially market economy. You know that they have shown an interest in Azerbaijan for a long time. Last year an event took place in Azerbaijan under the initiative of the Adam Smith Institute. However, this time they have prepared a very large-scale event. This event is being held for the integration of Azerbaijan into the world economy, and the exploration of world investors' interests in Azerbaijan and their involvement in this work.

"You know that we have taken many measures towards economic reforms, we have adopted laws and decrees and programmes on privatization, we have implemented reforms in the agrarian sector, we have done a lot of work for the approximation of our financial system into the financial and banking systems of the world. All these measures have already had some results. Now international financial centres are displaying an interest in us and allocating loans. However, to increase the importance of this issue I consider the London conference to be a valuable chance. I hope that the meeting that we are going to conduct there will be important and fruitful for us in this respect.

"Without doubt, beyond the framework of the London conference I will hold many other meetings, since the leaders of several banks would like to meet me and are waiting for my visit. The "British Petroleum" company, which is cooperating with us, is also very interested in our visit to London. I will have a meeting with the heads of states and governments in Great Britain. Generally, the programme is very broad.

"For instance, economic and political stability which is nowadays in place in Azerbaijan, the end of the war, by which I mean the observation of a cease-fire regime for more than a year and half - all these have created conditions for longterm cooperation between world investors and Azerbaijan. They see this situation. However, we will explain and tell all of this to them and will hold negotiations.

"Possibly there may be some proposals, some projects. We will consider them. If they are favourable, probably we can take a decision in London, or we will invite the investors to Azerbaijan."

The International Conference Exhibition, organized by Great Britain's Adam Smith Institute, which played an irreplaceable role in the economic development of
Azerbaijan, was opened on 29th November. More than 300 businessmen representing 20 countries came to London in order to participate in this ceremony. There were representatives from all the continents of the world. They wanted to gain objective information about Azerbaijan, and most importantly to find out about the investment opportunities in our country and to establish close contacts with our republic. There were also quite a few representatives of the companies that already cooperate with Azerbaijan.

Almost every seat was filled in the big hall of "Russell" Hotel. In the hall where the financial giants of the world were represented, an exhibition dedicated to Azerbaijan was opened. The Ambassador Extraordinary and Plenipotentiary of Azerbaijan to the Great Britain, Mahmud Mamed-Kuliev, gave opening remarks:

"This Conference is an important step towards the development of mutually beneficial relations between Azerbaijan and businessmen of the countries of the world community. I suppose many of you know that there is a rich economic, scientific and technical potential at present. At the same time, you may also know that now our country has become a big international oil centre and a country with large opportunities in different sectors of industry. Therefore we thank our President, Heydar Aliyev, for his efforts towards this objective, since his efforts are directed towards stability in Azerbaijan and in the region as a whole. We are very proud of the fact that now Azerbaijan is considered as a country confidently stepping towards development, maintaining its statehood, creating internal political stability and as a country with a bright future.

"Now, new Azerbaijan is the subject of increased attention in world business circles. We think that your participation in this conference is a good sign of this interest. We are also greatly interested in organizing and conducting this conference, and appreciate very highly its importance. This conference clearly reflects the interest and value displayed by the Azerbaijani President and the Azerbaijani government towards foreign investments. This is natural, because foreign investments will contribute to Azerbaijan's integration into the international community as an equal partner.

"One of the aims of the conference is to give you direct information about economic reforms carried out in our country and to show our willingness to establish workable relations with you. We are sure that such relations will stimulate our economic cooperation. We also attach great importance to the consolidation of cooperation and mutually beneficial relations between Azerbaijan and Great Britain. Today, eminent persons like Mr. Lang and Mr. Fireman also participate here. Hopefully, their participation will help your objective and realistic estimation of Azerbaijan's possibilities."

Afterwards, George Riches, the head of the British Agency on the Advisory Service for foreign countries took the floor. Greeting the distinguished delegation from Azerbaijan, he said:

"Approximately a year ago, I presided at a conference in Baku, which was dedicated to the transition period from a central to a market economy. Various difficult
issues were discussed at that conference. As you know, we have signed a contract with Azerbaijan on the participation in an oil consortium. Moreover, we are observing the adoption of a new constitution in Azerbaijan and the continuous expansion of relations between this country and international financial institutions. As a result of all these, we are seeing the augmentation of international investments in Azerbaijan and the development of the market economy there. In my opinion these issues in particular will be discussed at the conference. I would like to introduce you to the person who is the leader of all these processes. I am honoured to introduce to you the President of the Republic of Azerbaijan, Heydar Aliyev.

The speech delivered by the President of the Azerbaijan Republic, Heydar Aliyev, in the opening ceremony of the International Conference on the theme "Investment opportunities in Azerbaijan".

- "Dear Mr. Chairman, Dear Mr. Lang, Dear Gentlemen!
First of all let me express my sincere gratitude to the Adam Smith Institute for organizing such a thorough International Conference dedicated to the problems of Azerbaijan.

I also would like to thank all those organisations, which participated in the preparation of this conference.

This conference is dedicated to Azerbaijan; to be precise it is dedicated to the role of Azerbaijan in the global business, in the world economy and the investment opportunities in Azerbaijan.

We are enormously glad by the fact that such an important and internationally known science and economy centre like the Adam Smith Institute pays its attention to and cares about the problems of the Azerbaijani Republic and the economic development of Azerbaijan.

We highly appreciate this fact and we consider it to be of concrete assistance and support to our republic towards integrating our economy into the world economy in this transition period.

I congratulate heartily all the participants of the conference.

I'm very glad to notice that the invitation by the Adam Smith Institute was accepted and sincerely treated by the financial centres of the different companies, by the people representing the financial groups who are undoubtedly concerned about the problems of Azerbaijan and interested in creating economic relations with our republic.

Seeing so many participants with such a wide composition in the conference, on the one hand lets me consider their good will and sensible attitude towards the activities done by the Adam Smith Institute, and on the other hand makes me realize their deep attention to Azerbaijan and willingness to develop tight economic relations with the Republic of Azerbaijan.

I consider, as Mr. Chairman mentioned that all those who have come here wish to learn directly from us the current position of Azerbaijan in the World Union, in the world economic system and also about its present and future plans towards establishing the relations with them.
I guess the speeches of members of the representative groups which have been to Azerbaijan will give enough information about it to the participants of the conference. In my turn, I will touch on some of the common subjects, which naturally will answer some of the questions that you may have.

Azerbaijan is a new, young independent country, a country that has taken fresh steps on the independent route of development, and a country that struggles to integrate into the world economy based on internationally accepted rules.

As you are well aware, Azerbaijan is located in the Caucasus, at the crossroads of Europe and Asia.

It possesses an ancient and rich culture. During all periods, Azerbaijan has made enormous contributions to world culture. Obviously this is the very field in which Azerbaijan has huge potential opportunities.

Since ancient times, Azerbaijan has been a focus because of its geographical position, as it was an important international trade centre. The commencement of exploitation for oil deposits on an industrial level, increased interest in Azerbaijan in the second half of the 19th century.

It caused the first ever bulk flow of capital into Azerbaijan’s economy, the flow of European capital. The second part of the 19th century and the beginning of the 20th century was associated with a huge amount of foreign and European capital investment in Azerbaijan.

It gave a boost to the development of oil and other industries. It is obvious that all of these activities have left their mark in history.

Today, all the people who visit our country have an opportunity to see monuments of medieval history, the caravanserais which remind us of ancient times when Azerbaijan was an international trade centre between Asia and Europe. All of these historical monuments are the signs of those trade relations. Along with those monuments you also can see great palaces and buildings constructed during the period of industry and investment in Azerbaijan that took place at the end of 19th century and at the beginning of the 20th centuries.

Later on, Azerbaijan being part of the Soviet Union, especially after World War II, achieved an enormous evolution in all fields. During all this period, and also during the soon to be ending 20th century, the economic development of Azerbaijan has been linked to petroleum and other fields related to the petroleum industry, petroleum production and refining. But at the same time, with the completion of the World War II, the industry and many other fields of economy were developed in Azerbaijan.

In the ’70s, the precision engineering, microelectronics and electro-technics industries were also developed. Petroleum and petroleum refining, large machinery complexes, chemistry and petroleum chemistry enterprises were enlarged owing to the enterprises involved in the different fields of machinery.

Thus, a huge industrial potential was created in Azerbaijan. The bio-climate of Azerbaijan strengthened our efforts to develop agriculture and the production
and conversion of agricultural products.

Therefore, Azerbaijan has a balanced economy, it possesses raw material resources, a processing base, industrial enterprises, and all together they form a huge economic potential.

But along with this, in ‘80s the decay of the socialist administration system caused the economic stagnation and recession in Azerbaijan. And that was obvious.

Further, with the Soviet Union’s collapse, Azerbaijan gained its independence and stepped on the route to the development of new principles.

The stage of our republic's life that we live in now, on the one hand is undoubtedly associated with economic and social crisis, and on the other hand it's associated with our struggle to build an economy based on utterly new principles.

Azerbaijan gained its independence four years ago. Azerbaijan has taken a step towards a new stage in order to build a democratic, legal state, to form a democratic civil society based on market policy and market relations, and in accordance with the current international standards it acquired a target towards integrating into the world economy.

It goes without saying that all these matters are not very simple, and they generate great obstacles. You are fully aware of the difficulties of the transition of the domineering socialist administrative system from the socialist economy into the market relations, based on a free entrepreneurship economy. But in spite of all these difficulties and obstacles, we have to pass this road, as it is inevitable, and this is the natural process for the world.

At the same time this very road perfectly serves the interest and will of our country and people. Azerbaijan leads the way in strengthening and developing its independence, as it aimed at becoming a future active participant in the World Union, based on the equal rights and mutually beneficial economic and political relations, simultaneously the measures are taken in order to push forward the economy which is based on the market principles of the economy, by making use of the opportunities of foreign investors, world financial centres, transmission corporations and foreign companies.

Azerbaijan has got vast opportunities for the performance of all these activities. The natural resources of Azerbaijan, mainly the oil and gas deposits and other subsoil resources, as I mentioned before, create opportunities for the fulfillment of tasks that we have planned in order to develop agriculture, industrial potentials that have already been shaped, and the rich natural resources, and we are constantly taking measures to perform these tasks.

During the recent years, the great intellectual and scientific potentials have been formed in Azerbaijan.

In order to rebuild the economy within a short period, we have big institutions of higher education, scientific research institutions, project institutes, highly experienced specialists and enough manpower. To be fair, we must make use of the opportunities of the foreign investors more beneficially and perform joint-
development projects, in order to rebuild the economy.

In respect of the above-said, the conference organized by the Adam Smith Institute is of great importance for us. As mentioned earlier, this kind of meeting was held in Azerbaijan one year ago. But today, I can consider, that that meeting was the preliminary preparation for this conference. Therefore, dear friends, ladies and gentlemen, we have come here with the great desire to introduce you to the real Azerbaijan as it is, so that foreign investors and foreign companies, all of you, can have the opportunity to come to Azerbaijan with confidence to cooperate actively with us.

It is natural that I should talk first of all about our economy, the activities taken in this field and the economic direction that we have aimed at, but all of these are interlinked with the current state administration structure and social and political atmosphere. In recent years, after gaining its independence, Azerbaijan has succeeded in passing the sufficiently complicated phase, during the period of its national government formation.

We have faced the problems and we have experienced the domestic difficulties. But we could overcome them, and we are overcoming them currently.

As it is known to the whole world and to you, in Azerbaijan and in the whole Caucasus the only factor that worsens the situation is the military conflicts, and to my great regret they are existing in the different regions of the Caucasus.

One of these conflicts has been continuing between Azerbaijan and Armenia for seven years. This military conflict commenced with the attempt of the republic of Armenia to occupy the mountainous Karabakh region of Azerbaijan.

During these seven years of aggression, the armed forces of Armenia occupied more than 20% of the territory of Azerbaijan. More than one million citizens of Azerbaijan have been violently expelled from those occupied places, and they are now scattered all over the country. Most of them live in tent camps, in unbearable conditions.

It is obvious; this fact complicates the social and political situation not only in our own republic, but in the whole region. In spite of our losses and the economic determent that was induced in Azerbaijan, we abide by the peace position, and we are trying to solve this problem peacefully, within the framework of the OSCE's Minsk Group. By applying to the encouragements of the other international organisations, we hold constant negotiations in this respect.

As a proof of our will to solve this conflict peacefully, we can show as an example the first ever ceasefire agreement during the entire period of conflict, which was achieved between Armenia and Azerbaijan a year and half ago. During this year and half we have preserved the ceasefire regime without any foreign mediators. This means that there is no fire exchange now and no military operations are deployed, but in the meantime there is not absolute peace.

And we are trying to reach absolute peace. I'm certain that with our own endeavors and with the support of international organisations and the major countries, Azerbaijan will restore its territorial integrity, ensure the inviolability of its
borders, achieve the withdrawal of the occupying troops from its territories and will return the refugees to their homes, only on the basis of above terms, and with the support of those organisations and countries we can solve this problem peacefully and establish peaceful and friendly neighbourly relationships. I consider that this is the decisive and final way of solving this problem.

The military way of solving this problem is impossible, but undoubtedly, we can never agree to surrender any part of our country to another country. It is obvious that in order for Azerbaijan to be able to take its firm position in the world economic union, the first thing that each investor is interested in is the social and political situation of this country. As I mentioned before, during these four years, very complicated domestic political processes have taken place in Azerbaijan. You are aware of them; I don't want to occupy your time with them. But I want to point out that during the last two years we have succeeded in totally stabilising the social and political situation in our country. I can now tell you with assurance that this stability is long-term and forever.

As proof of it, you can see that the internal political life in Azerbaijan is totally built on the democratic basis, and the protection of rights and liberties of the citizens, political pluralism and the freedom of persons are being provided. More than 30 political parties function freely in our country, dozens of newspapers and news agencies function, taking advantage of freedom of speech. Finally, on 12th November of this year, I dare to say that an event of historical importance happened in Azerbaijan. As the result of a nation-wide referendum, the first constitution of independent Azerbaijan was accepted. The first democratic parliament was elected in Azerbaijan based on free democratic elections.

The accepted constitution provides not only internal stability; it also serves to support by all means the performance of the strategic direction we are aiming for.

I repeat again, the formation of a democratic law-based state, the establishment of a democratic civil society, alterations according to the market economy, the fulfillment of economic reforms, foreign investments, the creation of opportunities for free entrepreneurs and the protection of their rights, the development of private property and the provision of rights and liberties for individuals and citizens - all the above-said are mentioned in the relevant articles of the constitution, incarnated in a substantial and specific manner.

Along with all these, the constitution serves as the guarantor for entrepreneurship, foreign investments, the development of private property, and also protects the right to private entrepreneurship.

In this respect, we are constantly taking measures towards the performance of economic reforms, the law and the schedule on privatisation of private properties were accepted, and are being performed now. Actually, all these activities have been performed in the trade and service fields, and I guess that in the coming years all properties will be privatized in Azerbaijan. At present, the reforms in the agricultural sector are being successfully carried out and I'm sure that this will give a concrete practice result. All these indicate our willingness to lead the
way in integrating into the world economy, with the positive changes based on the market economy.

We have had quite big achievements in this field. Let me point out that one year ago, in September last year, as the consequence of very complicated negotiations, a contract was signed with the world's largest petroleum companies on the joint exploitation of oil deposits in the Azerbaijani sector of the Caspian Sea. It was named the "Contract of the Century". It was quite fair, because the very contract was signed between the Azerbaijani state oil company and a consortium of II globally celebrated oil companies, including: "British Petroleum" and "Statoil", the American companies: "Amoco", "Pennzoil", "Unocal", "McDermott", and "Exxon", the Saudi Arabian company "Delta", the Turkish company "Turk Petrollari" and the Russian company "LUKoil".

All of these companies are united in one consortium. The contract, which was signed for a period of 30 years, possesses vast economic opportunities.

It was not easy to reach the signing of this contract. There were many obstacles of internal and external characters. But we overcame them all, and the contract was signed.

During its signing, some treated the signing of this contract with suspicion, thinking that it would be left on the paper unrealized. But today, I can tell you with deep satisfaction that the contract exists and functions. During the past last year a great amount of work has been done. The important decree of the last year was a decree passed by the consortium on 9th October, on the construction of pipelines along two routes for the export of the intended initially produced petroleum according to the said contract. One of these pipelines will be laid down via the Russian territory to the Black Sea; the second one will also be directed to the Black Sea via the Georgian territory.

The adoption of the decree on construction of the two pipelines for the export of the initial petroleum is considered to be an important step, and it indicates the practical performance of the big oil contract, which was signed a year ago. Besides, specific measures are planned for the next year too. It is enough to say that for the performance of the contractual schedule for 1995-1996, the consortium's capital investment was estimated at up to 700 million dollars.

But we do not want to be complacent about it. On 10th November this year, we signed one more important contract on the exploration and exploitation of a large oil field called "Garabagh".

The consortium, which consists of the American company "Pennzoil", the Russian company "LUKoil" and the Azerbaijani State Oil Company, participated in this contract. A big programme and agreement are planned in this project; we look forward to seeing its practical results.

The signing of these contracts and execution of the measures related to them, conclusively show that Azerbaijan is open to foreign investors and investments. Azerbaijan is fully open for active and beneficial co-operation on the basis of mutual satisfaction. Besides, we are applying all the possibilities to co-operate
with small and medium-sized business in our republic.

There are more than 1,000 foreign companies and joint ventures in Azerbaijan; they function in various fields including trade and all other fields. Funds are invested for the creation of infrastructure in Azerbaijan, too. By the way, I must note that this field is of great interest to foreign investors. Therefore, all those petroleum contracts and other projects that we are going to perform in the very near future, undoubtedly will demand that Azerbaijan creates a strong infrastructure that meets the requirements of world standards.

That's why the investment of funds in the establishment of infrastructure is a matter of great importance, and I believe that foreign investors will pay attention to it. We also resort to other methods in order to integrate our economy into the world economy. We are currently working jointly with United Nations' Industrial Development Organisation for the establishment of a free trade zone in the city of Sumgayit. Sumgayit is a large industrial centre in Azerbaijan; there are chemical and petro-chemical products enterprises, drilling wells, aluminum production enterprises and light industry enterprises in this city. The establishment of a free trade zone there makes many foreign investors interested. We consider that this subject is of great perspective.

We have decided to transfer the control and management of some of these enterprises to foreign companies, and we are intending to perform this decision. I consider that this will interest some participants here. Some other countries, once part of the Soviet Union and now independent countries, already have this kind of experience. We have prepared respective measures, and they will also be fulfilled. It means we are functioning in various directions, and we hope that there will be corresponding steps according to our activities. We are pretty aware that it is impossible to achieve the changes relevant to a market economy, the execution of privatisation and structural changes in the economy, just at the cost of our own power and simply attracting foreign investors. Therefore, we are actively collaborating with the world finance centres.

That's why the world finance centres have recently witnessed the performance of the principles of the market policy in Azerbaijan, our efforts in privatisation and in the performance of economic reforms. The European Bank of Restructuring and Development and the European Union are generating interest in our country. As a result of this cooperation the World Bank, the International Monetary Fund and the European Bank of Restructuring and Development have granted rehabilitation credits to our country for the purpose of the performance of structural changes in our economy, and also they have granted to us credits for the execution of the intended reforms in the water supply and energy sectors of our republic. The approximate amount of credits that have been granted to us for the current and following year is 400 million dollars.

But I guess that this is just the beginning, these are our first steps, these are the first steps taken by the world finance centres in order to provide support for the economic reforms in Azerbaijan, and I hope that it will be continued in the
future. We are doing everything in order to re-build our economy according to the market principles. This touches on reconstruction of the currency and the financial sphere and the banking system, too. We have taken some measures and achieved quite good results in this direction. In accordance with my decrees, reforms have been executed towards the liberation of prices and foreign trade, and in order to attract foreign capital some other tasks have been performed on the liberation of trade and goods exchange between Azerbaijani and foreign firms. In order to develop this co-operation we are creating reliable economic opportunities, and we will keep on creating them. As I mentioned, this has been mirrored in the constitution, too. We execute our reforms, especially private entrepreneurship with our appropriate foreign partners, and create reliable opportunities in this respect. The reforms that we have executed in the finance, currency and financial systems and in the tax system provide assistance to this; all of the above-mentioned will support us better as they are all reflected in the constitution that we have adopted. As a result of our reforms the financial situation is stable, too.

It is already one year the exchange rate of our national currency has been adopted - and the manat remains stable. The inflation rate has also been substantially reduced. Compared to the beginning of 1995, when inflation was about to reach 60 %, for more than half a year at present it has not exceeded 2%.

Besides, this indication is stable. So, I want to say that this low level of inflation and respectively the stable exchange rate of our national currency, in my opinion, are fair proof of our competency in the further performance of reforms in the financial, banking and currency systems, in order to become a worthy partner for attracting foreign investors.

I guess all the above-said could sufficiently inform you that today Azerbaijan is a developing country, possessing great potential opportunities. Azerbaijan is walking with vigorous strides both in social and political life, in the formation of its government and also in the democratisation of the economy. Azerbaijan is earnestly walking towards privatisation, the development of private entrepreneurship and the creation of wide opportunities for private business. Azerbaijan is earnestly walking towards the innovation of all the complexities of its economy and the execution of various reforms for bringing it up to world standards, including in the agricultural sector.

It is clear that the social and political situation in the country is the main focus for any foreign investor. The social and political stability in Azerbaijan is secured, strictly secured, various kinds of maintenance have been established, the country is ruled by its laws, and our government is able to control all the fields of our republic's life to support the economic pattern that we aim to develop in the future.

Therefore I take the liberty of inviting you all to Azerbaijan, to co-operate with us. Each investor coming to our country will receive support and assistance for his offers, and will be merrily welcomed. Because we want this kind of co
operation, and we are interested in it. We want foreign capital to flow in Azerbaijan; we want to integrate our economy into the world economy.

That's why I'm inviting you all to Azerbaijan.

I accepted the invitation of the Adam Smith Institute with great pleasure, and the special intention behind my visit here was to meet you personally, to inform you about our republic, about its current condition, about the social and political situation in our country, about our opportunities and our wish to co-operate with you. Therefore I take the liberty of inviting you to co-operate. I believe that the Adam Smith Institute will further pay its attention and care to Azerbaijan, will help us to stand up and walk on the road of democracy that we chose, along with the economically developed countries.

In a few days, a meeting dedicated to this question will be held in Paris, at the initiative of the World Bank. But that meeting will mostly be related to the private sector of the economy. It is natural, that we pursue a move towards privatisation, and we want the private sector to occupy high positions in Azerbaijan. We accepted the invitation of the World Bank, and we will participate in that meeting.

I would like to thank the hosts of this conference, the Adam Smith Institute, all of those who participated in organizing this conference on behalf of the government of Great Britain, and all the people who are here with us today. And again I'm taking the liberty of inviting all of the participants of this conference to co-operate with Azerbaijan.

Let me thank you all again, for the invitation of the Adam Smith Institute and for coming here.

Thank you very much for your attention!


Michael Bell, the executive director of the Adam Smith Institute, hosted the press conference. The president of Azerbaijan, Heydar Aliyev answered questions put by journalists.

**Question:** I'm a reporter from the "European" newspaper, published in London. My question will seem to you very complicated. The OSCE has published its recent report on the elections in Azerbaijan, and they declared these elections to have been unfair. I know that this report was handed over to the Ministry of Foreign Affairs. It is mentioned in the report that the development of business relationships in Azerbaijan could be in danger because of the problems that arose after the elections. Taking into account the falsity of the elections, I would like to know your point of view of it.

**Answer:** Your question is very surprising, because you appear to have no
knowledge of the above-mentioned report at all. The election was a success in Azerbaijan; parliament was elected and began functioning. It held its first session on 24th November. There were observers from many countries and organisations during the election. Some observers reported on slight disadvantages, transgressions that took place, and there were some complaints. But there was no such declaration, as you mentioned. We have not been informed of it.

We have declarations from members of the European Parliament and the French Parliament. We also have declarations from members of the OSCE and the UN. Moreover, this was the first election held in the independent Azerbaijan, which was on the basis of a multi-party system and democratic principles. Undoubtedly, there were some disadvantages and transgressions. But one article, which is published in all reports, is very important to us; it reads that the observers consider these elections as a step taken towards democracy, and on behalf of democracy. We find it normal. This is all I can tell you.

**Question:** I would like to touch another subject, the subject of the prosperity of Azerbaijan in the future. What do you think? When will the decree on the main pipeline route be adopted? Which route do you prefer? And will the decree on it be adopted soon so that you can profit from the oil deposits? Thank you very much.

**Answer:** The decree on routes of the pipeline for oil export was adopted in Baku by the Administration of the Consortium, in the session of the operations committee on 9th October.

Two routes were selected for the oil pipeline. The first route goes to the Black Sea Port of Novorossiysk via Russia, the second route also goes to the Black Sea via Georgia.

These two routes are of equal importance to us, and therefore the respective decree was adopted. I guess that this decree is widely known to you, and I talked about it in my speech today.

According to the schedule of the oil agreement, oil will be produced in Azerbaijan at the end of 1996, and accordingly its productive capacity will increase in 1997 and 1998.

Those two planned pipelines will have been constructed by then, and undoubtedly the produced oil will be exported and we will profit from it accordingly.

And now, the prime minister tells me that the chairman of the operations committee of the consortium, Mr. Terry Adams, will talk about this matter in the conference tomorrow.

**Question:** "Platts" company would like to learn your relations with Iran. What do you think - will Iran decide to participate in the "Shahdeniz" project?

**Answer:** Azerbaijan has kind, neighbourly, friendly and normal relations with Iran. Azerbaijan has a long border with Iran, and we have historical ties. The history of Azerbaijan was linked to Iran in many ways. All of these things are the basis of our current relations. Undoubtedly, these relations are the ones between
two independent countries - between Iran and the Azerbaijani Republic. We are taking activities for the development of economic co-operation, which is mutually beneficial and serves the interests of Iran and Azerbaijan. Regarding the participation of Iran in the consortium, which is going to be established for the exploitation of the oil and gas reserves of the "Shahdeniz" oil field, it is up to Iran itself. We made such a proposition to Iran.

Question: Radio station "Azadlig" (Freedom). Dear Mr. President, you are making a trip to the West - to Great Britain and France, on the eve of the economic development and wide-ranging privatisation programme in Azerbaijan. This means that you give priority to the West in the performance of substantial market reforms in Azerbaijan. Besides your participation in the conference, what is the priority of your visit to Great Britain and France? Thank you.

Answer: That's right, my current visit differs from all my previous visits. This visit is dedicated to economic problems. At the present time, this is related to the invitation of the Adam Smith Institute. I give priority to it. I got acquainted with the list of participants who have come to participate in the activities of the conference and I realize that this is a very worthy conference. There are many representatives from different countries, not only from European but also from Asian countries. Of course, I knew that this conference would be of an influential character, but to be honest I could not imagine that it would be so substantial and interesting.

That's why my current visit to London is related to this. After that, my visit to Paris will also be related to economic problems, because the World Bank is conducting a meeting of business people concerning the problems of the development of private business in Azerbaijan. We really consider these matters to be of great importance to us. Because we have been working for a long time in order to start to perform widely the privatisation programme of state property. Undoubtedly, for that reason, we have to create relationships with foreign companies, foreign investors and people who want to participate in the privatisation process of our country. I want to point out that the privatisation law which was adopted and published in the press a long time ago, stipulates the acquisition of properties by the foreign companies and grants discounts - I would say substantial discounts for their participation.

Therefore, today's conference and the meeting to be held by the World Bank in Paris are of great importance to us. It is not exactly what you would call a westward inclination. We would like to collaborate with all countries of the world on the basis of mutual benefit. For instance, I saw in the list of participants companies from Japan and India. That's why we would be happy if Japanese companies, whose representatives have come to this conference, participated in the performance of any projects in Azerbaijan. I called upon everybody in my speech today. Taking into account the fact of participation of the representatives of the News agencies here, I would like to call on them, too. Please use your authorities, and inform everybody that we are inviting everybody and we are ready to co-operate.
with everybody to fulfill economic reform programmes, to make changes according to the market economy and to conduct privatisation in our country.

**Question:** A reporter from the BBC: How does the president consider the danger from Russia? I mean Russia insists that the natural reserves of the Caspian Sea are divided between all the coastal countries. What do you think? After the elections in Russia, will the attitude towards this problem be more conservative and nationalistic?

**Answer:** First of all I would like to answer your question on the Caspian Sea. We support the idea of division of the Caspian Sea into sectors. Actually, it has been divided into sectors between the Caspian Sea coastal countries. This division was conducted a long time ago, during the Soviet Union. Now we use the sectors of the Caspian Sea that belong to us, to Azerbaijan.

Regarding the danger or any other things that may happen: you know, the Caspian Sea belongs to all its coastal countries, not to one country alone, and each country including Azerbaijan has an equal right to it. From the moral point of view, Azerbaijan has been extracting oil from it for a long time, where others are just starting to do this. If we are talking about the production of oil on an industrial level, it is fair to mention that we began extracting oil from the sea in Azerbaijan 45 years ago. This is what widely known across the world as "Oily Rocks".

Therefore, we are not worried in this matter at all. It is possible to talk about the Caspian Sea and discuss this problem. But parallel with it everybody must do his own business, and we do our own business.

The second part of your question regards the situation in Russia, in other words what will happen after the elections? As you know I do not deal with forecasts, I'm not a fortune teller. I do not know what will happen in Russia after the elections. Whatever happens, as a politician I know that Russia will take a course of democratic changes and development of the market economy. And this is very important to us.

**Question:** Financial Times. Two months ago many Azeris were complaining that it had become very hard to have intercourse with Russia because of the well-known situation in Chechnya. I would like to know the current situation. Has it become easier to go to Russia?

**Answer:** No, I cannot say it has become easier. You know, since military operations began in Chechnya, the border between Azerbaijan and Russia, which is our northern border has been closed. It has become extremely difficult for Azeri citizens to go to Russia through this border. Unfortunately, this regime is still continuing there. This causes problems not only with passenger traffic, but also with the carriage of cargoes, which generates big difficulties for us. In order to ease the current regime at the border we negotiated and are still negotiating with the Russian Federation. But the previous situation is still continuing.

**Question:** Excuse me, I would like to return to my question. I asked about two pipelines, through which you are going to export oil from Azerbaijan. I mean
my. The President, Heydar Aliyev, expressed his satisfaction at his meeting with Mr. Lang and at the conference held in London. Also the President of Azerbaijan said he had not expected that so many people would participate in the conference, as there was not a free seat in the hail and he was satisfied with the great interest of investors in Azerbaijan. Noting the importance of the recent positive changes taking place in Azerbaijan, Mr. Lang emphasised that all the activities performed in the republic under the leadership of the President, Heydar Aliyev, were conceived with positive sympathy in the world. Talking about the political stability in Azerbaijan, the successful performance of political and economic reforms, including the successfully held parliamentary elections, the adoption of a new constitution by nationwide referendum, Mr. Lang noted that all these proved to western countries and to the world that Azerbaijan was an independent country and was developing on the basis of democracy and market economy.

Talking about the establishment of an Azerbaijan-Great Britain Trade and Industry Council and the important role of the memorandum signed at the conference on development of trade relations between the two countries, which would contribute to the enlargement of co-operation between the two countries, Mr. Lang noted that the investors who were members of this chamber, would pay special attention to investment in Azerbaijan, which in turn would strengthen our trade relations.

At the end of the meeting President Heydar Aliyev again emphasised that the door of independent Azerbaijan was open to the world and that we are interested in mutual and beneficial co-operation with all countries. We also pay special attention to relations with the Great Britain.

Two more important events related to Azerbaijan were held in the capital of Britain on 29th November. That very day, there was the official opening ceremony of the Embassy of Azerbaijan, which about one month before had moved to a more appropriate place in the centre of London. Before that, an exhibition of the work of our famous artist Sattar Bahluzade containing his beautiful compositions was opened in the hotel that held the international conference. The President of the Azerbaijani Republic, Heydar Aliyev, and official representatives of the British government participated at both ceremonies.

The official opening ceremony of the Embassy of the Azerbaijani Republic in London

Seeing the flag of our country hoisted in front of the beautiful new embassy building, filled the soul and heart of every Azeri with pride and dignity for our native country.

The Ambassador Extraordinary and Plenipotentiary of Azerbaijan to Great
Britain, Mahmud Mamed-Kuliev, opened the official ceremony and said that the new embassy building was the first property belonging to our country outside the borders of the Azerbaijani Republic. The opening of this building was an important step towards the development of the independency of the Azerbaijani Republic. The ambassador especially emphasised that the participation of the President of the Azerbaijani Republic, Heydar Aliyev, in this official ceremony maximises its importance. He emphasised the important role of the President in reinforcement, development and protection of the statehood and independency of Azerbaijan. The speaker said that the president had contributed great services to the opening of this embassy building in a beautiful part of London. The ambassador thanked the President of Azerbaijan on behalf of the participants of the ceremony and wished him luck in his multiple activities. He assured the president that the embassy would take more active actions and would represent our country in Great Britain with dignity, as it is no secret that Great Britain occupies an important position in the external policy of Azerbaijan. Afterwards, the ambassador called on all of our countrymen residing in London and in other parts of Great Britain, inviting them to work jointly to push forward the development of Azerbaijan and to overcome the difficult situation that our country is now in.

The speech of the President of Azerbaijan, Heydar Aliyev:

- Dear Ladies and Gentlemen!

Today, we are experiencing a very significant event in our lives. The Embassy of the Independent Republic of Azerbaijan is functioning in the very influential and authoritative country of Great Britain. This embassy is already located in a new building, which belongs to Azerbaijan, to our country. It is the property of Azerbaijan.

Azerbaijan has been an independent country for four years. We have done a lot and we have achieved a lot, in order to strengthen our independency, to create relations with all the countries of the world and to take our own position in the world union over these four years. In order to carry out successfully the external policy of Azerbaijan the opening of embassies of the Azerbaijan Republic in foreign countries and the creation of opportunities for them to function there should be included in the list of these achievements.

We adopted a decree on opening the Embassy of Azerbaijan in Great Britain two years ago. At the beginning of 1994, the embassy began functioning here. Then the decree was adopted to purchase a building for the Embassy of Azerbaijan in Great Britain, in order to create more opportunity for the embassy and diplomats representing Azerbaijan here, to work productively and at the same time to establish a native centre in Great Britain and in neighbouring countries.

The building was purchased, we already have the building for the embassy. So, Azerbaijan is strengthening its position in foreign countries step by step, and one of these steps is the activity of the Embassy of Azerbaijan in Great Britain and the opening of the new building of this embassy.
I take the chance to congratulate you all on the opening of the first building of the embassy of Azerbaijan in Great Britain, and wish the employees of the embassy to carry out their tasks successfully. I wish success to all Azeris living in Great Britain and call on them to use the opportunities of this embassy, to use its building fruitfully, in order to perform our country's policy. I congratulate all of you on this event.

Though the number of employees at the embassy is few, they will perform their tasks with dignity. I believe that this building will become an attractive point for all Azeris residing in Great Britain, and will attract every Azeri here, and all the Azeris living in Great Britain will be tightly united around this building, and will become more close and tender to each other.

Consequently, the independent Azerbaijani Republic will gradually form its diaspora in all countries, in the first place in big countries, and will communicate between them. We need this.

There are lots of Azeris, spread all over the world. If one started searching, one could find Azeris in every country. There is one drawback for Azeris, when living or working in a foreign country. They are not active in communicating with each other. So there is a reason to say that they are passive. I believe that as we have overcome many obstacles on our way up to present, we will be able to overcome this drawback, too. There are more than 40 million Azeris living in the world. But only 7.5 million people live in Azerbaijan, the rest are in other countries. Every Azeri must feel himself to be Azeri and think about Azerbaijan all the time, he must not cease his love for Azerbaijan, regardless of whether he is a citizen of the Independent Republic of Azerbaijan or not. For that, Azeris living in all countries must stay in touch with each other, be more kind to each other, support one another, care about each other, and thus, we will secure the well-being of all Azeris living in different countries. That's why the establishment of such embassies in every country is one of our most important tasks.

In spite of the economic difficulties, we will try to perform these tasks further. To struggle to unite and to be close to each other must be the sole aim of every Azeri and each of our countrymen. They must strengthen their relations with Azerbaijan; at the same time they must consolidate their relations with each other in the countries in which they live and tighten their relations with the representatives and the embassies of Azerbaijan. I can see a sufficient number of our countrymen gathered here. As I realise, they are Azeris living in London, or visitors. We also have guests from London, England and Great Britain. I'm very pleased to see them here, and I want to thank them for that. If so many people are gathered in front of this building today, then I believe that if we can carry out our tasks successfully, in one month, two month or one year, five to six times more Azeris will be gathered here, the representatives of other nationalities who feel love towards Azerbaijan will be gathered here, and the citizens of other countries who wish to enter into relations with Azerbaijan will be gathered here. Our embassies must become such attractive centres. I'm repeating again, in order to
achieve this, our embassies must carry out their tasks better in the future. And every Azeri, every countryman must contribute to push these things in the right direction.

You can be sure that on our side we will increase our efforts to consolidate the statehood of Azerbaijan. You know, the first constitution of independent Azerbaijan has already been adopted by nationwide voting and referendum. The parliamentary elections were held for the first time for the parliament of the Independent Republic of Azerbaijan. The new democratic parliament of Azerbaijan has been formed. Azerbaijan is making successful steps in the field of state-building. The internal social and political situation of Azerbaijan has already been stabilised. Most outlawed armed groups and various mafia groups, groups that were trying to destroy the country from inside, have been neutralised; criminals have been liquidated, the opportunities have been created for people to live in calm. We know our tasks according to this field. We will try to perform them in the future, too.

There is one big problem for you, for all Azeris living all over the world. This is our country's wound; I mean the aggression of Armenia towards Azerbaijan, and as a result of this military aggression, the occupation of more than 20% of the territory of Azerbaijan. More than one million of our countrymen have been expelled from their homes, from the occupied territories. They live in different regions of Azerbaijan now, and the majority are living in tent camps. This is our pain, the wound we carry in our hearts. This is our big problem. But we are able to solve it, too. We will solve it. It is true that it is difficult to recover those occupied areas, to force the invaders to withdraw. To defend those areas was easier than to lose them and afterwards to force the invaders to withdraw from there. But what can we do, the fate of Azerbaijan has faced this kind of hard problems for centuries. We are living in a hard period of history of Azerbaijan, too. But we are going to overcome this period. I believe that the occupied territories will be liberated; the territorial integrity of Azerbaijan will be restored, the refugees from those occupied areas will return to their homes and Azerbaijan will become the owner of its legal rights and territory known as the international legal norms.

You can be sure of one thing that I state repeatedly to the world: Azerbaijan is walking towards democracy; we will complete the state-building process on the basis of democratic principles. Azerbaijan has integrated into the world union; economic relations are being built, and will be built in our country based on the principles of market economy. In order to create liberty for the people, to protect their rights, provide freedom to everybody, establish opportunities for entrepreneurship and protect the property of every person by providing all these liberties in Azerbaijan, the newly adopted constitution contains very specific and necessary articles. This means that Azerbaijan as a legal democratic country will always live, and every Azeri will have the opportunity to make use of his rights as he wishes. You can be sure of it. This is our prime obligation and task. You can be sure that we will carry out our obligations and tasks with dignity. I want to
congratulate you on this event again. I wish good health and prosperity to all Azeris in their lives, regardless of the country they live in. Thank you!

*Then the national anthem of the Republic of Azerbaijan was played.*

The President of Azerbaijan, Heydar Aliyev, removed the cover from the plaque on the wall of the new embassy and cut the ribbon in front of the building. The President of Azerbaijan and his entourage, the state and government statesmen, embassy staff, our countrymen living in Great Britain, guests and the Azeri students studying here entered the building and became acquainted with it. Here, the Diplomatic Corps Marshal of the Ministry of Foreign and Commonwealth Office, James Yederos, addressed the President of Azerbaijan, Heydar Aliyev: "You honoured us very much by participating in the opening ceremony of the Embassy of Great Britain in Azerbaijan, and in the opening ceremony of the Embassy of Azerbaijan here." He noted that there are all kinds of opportunities for the Embassy of Azerbaijan to function fruitfully here. James Yederos said that he was sure the international conference organised by the Adam Smith Institute would play a positive role in widely attracting British businessmen to Azerbaijan. He emphasised the importance of the development of political relations between the two countries, and generally the development of all bilateral relations in all fields on the basis of these relations.

Afterwards, our countrymen from Britain surrounded the President of Azerbaijan, Heydar Aliyev, and began a sincere and tender conversation with him. Our countrymen expressed their love and kind feelings towards their motherland. They stated their approval of and support for the internal and external policy carried out by the President of Azerbaijan, the provision of the security of citizens inside the country, the activities done to liquidate the economic crisis and the measures taken towards the peaceful solution of the Armenian-Azerbaijani conflict. President Heydar Aliyev was curious about the concerns and problems of our countrymen, and expressed his hearty wishes to them.

London meetings of President Heydar Aliyev. During his business trip to London, the President of Azerbaijan, Heydar Aliyev, met the Deputy Prime Minister of Great Britain, State Minister Michael Heseltine on 30th November.

Sincerely greeting our president, Mr. Heseltine noted that he was satisfied with the meeting, and recalled the previous meetings with Heydar Aliyev with satisfaction. He also was proud to greet the President of Azerbaijan on behalf of the British Prime Minister, John Major. The Deputy Prime Minister reported that because of the visit by the President of the United States, Bill Clinton, to Great Britain Mr. Major was very busy and therefore entrusted the deputy prime minister to meet President Heydar Aliyev. He said that the Prime Minister, John Major, recalled his meeting with President Heydar Aliyev in New York with great satisfaction. Mr. Heseltine said that he was always glad to see the President of
Azerbaijan in London, and believed that the current visit of Heydar Aliyev to London would play an important role in the development of relations between our countries.

Thanking Mr. Heseltine for his warm words and for passing him the regards of Mr. John Major, President Heydar Aliyev noted that he always remembered his meeting with the Prime Minister of Great Britain in New York. Noting that his current visit to London was of an economic character, the president talked about the advantages of the international conference organised by the Adam Smith Institute, which was dedicated to Azerbaijan.

Mr. Heseltine emphasised the important role of this conference in attracting foreign investors and in strengthening our country's relations with international finance institutions. Talking about the development of relations between Great Britain and Azerbaijan with satisfaction, he noted that the visit of President Heydar Aliyev to London would positively strengthen these relations.

It was mentioned at the meeting that the strategy aim of Azerbaijan was to build a free, independent and democratic state, including the provision of democratisation in the economy and to perform the principles of market economy and to tie Azerbaijan to the world economy.

In Mr. Heseltine's opinion, the successful co-operation of Azerbaijan with the western oil companies' consortium was one of the important points of this attachment. He highly valued the decree adopted to determine the routes of the transportation of Azerbaijani oil, which was due to the wisdom of President Heydar Aliyev. Talking about the confident steps taken by President Heydar Aliyev aimed at creating tight relations between Azerbaijan and foreign countries, he said to the president: "I'm amazed at your activities."

Thanking him for these words the President of Azerbaijan noted that it had not been easy to perform all these tasks. President Heydar Aliyev brought to Mr. Heseltine's attention the fact that there are some forces both inside and outside the country that didn't want this strategic policy to be executed successfully. But in spite of the difficulties, Azerbaijan would preserve its independency and would continue forwarding its resources to the world markets of its own free will, based on the mutual beneficial co-operation principles, he said.

The economic reforms performed in Azerbaijan, the strong political stability in the country and the new petroleum agreement signed in November were mentioned with satisfaction at the meeting, and discussions were also held on the perspectives of the relations between Azerbaijan and the "BP" company and on the status of the Caspian Sea.

During his business trip to London, President Heydar Aliyev met members of the British Parliament on 30th November.
Greeting the President of Azerbaijan in the traditional way, the chairman of the Great Britain-Azerbaijan parliamentary group, Sir James Spicer, expressed his satisfaction with this meeting. Talking about his visit to Azerbaijan two years ago, Sir James Spicer noted that he highly valued the strong friendship relationship established between him and the President of Azerbaijan. Mentioning his participation in the conference "Investment Opportunities in Azerbaijan" and his happiness with the conference's success, he added that all of us must do our best to improve and strengthen the friendship and co-operation between Azerbaijan and Great Britain.

A member of the House of Lords, Lord Bethell, noted that he was perfectly acquainted with the autobiography of the President of Azerbaijan, and pointed out that he had known him since 1975; he said that he believed that the achievements of the Azerbaijani Republic in recent years, the effective and successful policy carried out by the leadership of Heydar Aliyev aimed at integrating the economy of Azerbaijan into the world economy, would give it positive results in the future. Lord Fairfax, talking about the important role of the social and political stability in Azerbaijan in attracting foreign investors, noted that the successful joint co-operation of his insurance company "Sedgwick" with the State Insurance Company of Azerbaijan relied on this very stability.

Lord Fairfax, emphasising his attitude towards Azerbaijan as a reliable partner in the person of Heydar Aliyev, said he would keep tight relations with Azerbaijan in the future, too.

The President of Azerbaijan, Lleydar Aliyev, met with Tim Eggar, the Industry and Energy Minister of Great Britain on 30th November.

Greeting our president as an old friend, Mr. Eggar told that he was very happy to see him in London again. He noted that he always remembered his meetings with President Heydar Aliyev in Baku and in London, and also at conferences held within the frameworks of international organisations, with great satisfaction.

The minister, noting the successful conference organised by the Adam Smith Institute on the theme of "Investment Opportunities in Azerbaijan", congratulated the president on the opening of a new embassy building in Great Britain.

Emphasising the great worldly importance of the joint exploitation of energy, especially the oil and gas reserves of our republic with the world's influential oil companies, the minister said that Azerbaijan would have its own specific position in supplying the world's energy demands in the 21st century. In his opinion, therefore, the positive changes in Azerbaijan, strong stability and activities done in the oil and gas fields were of great importance. Mr. Eggar said he believed that Azerbaijan would provide not only oil but also with natural gas production it
would play an important role in the provision of demands of Europe and the world.

Confirming that Azerbaijan possesses huge oil deposits, President Heydar Aliyev noted that he was satisfied with the collaboration of our country with the international petroleum companies in this field. The president noted that the natural gas deposits of Azerbaijan were not properly used currently, but in the future, with the application of modern technology and on the basis of co-operation with authoritative companies in the West, including "British Petroleum", this field would be developed, too. Emphasising the trusting partner relations between "British Petroleum" and Azerbaijan, and the intention of signing several of this kind of contract with this company, Heydar Aliyev talked about the role of "British Petroleum" in the exploitation of the "Shahdeniz" oil deposit. The status of the Caspian Sea was also discussed at the meeting and the importance of the support of Great Britain in the position of the Azerbaijani Republic in this field. Mr. Eggar said that the British government would always support the position of independent Azerbaijan and Heydar Aliyev.

Our president said that Azerbaijan was capable of establishing long-term relations with Great Britain in all fields and that we would try to widen these relations.

During his visit to London, the president of Azerbaijan. Heydar Aliyev, met the Foreign Secretary, Malcolm Rifkind, on 30th November.

Talking about the goals of his visit to Great Britain, the president noted that these kinds of meetings would play an important role in the development of relations between our countries. President Heydar Aliyev also noted that the international conference organised by the Adam Smith Institute would stimulate the development of our republic's economy and attract foreign investment. The minister highly valued the participation of a great number of investors in the international conference, and especially the fact that these companies represented many countries. In the minister's opinion, this was proof of the interest of the world economy in Azerbaijan. Mr. Rifkind also talked about the recent positive changes that had taken place in Azerbaijan.

Ways of ending the aggression of Armenia against Azerbaijan were also thoroughly discussed at the meeting. Talking about the occupation of more than 20% of our territory by the Armenian armed forces, the forcing out of more than one million refugees from their native lands and their current hard condition of living. President Heydar Aliyev noted that a ceasefire regime had been achieved in this war that had been continuing for seven years. The president noted that the current "neither peace, nor war" situation could not permanently continue, Azerbaijan could not accept the occupation of its lands by Armenia. The president talked about the activities done within the framework of the OSCE's "Minsk Group", and about recent negotiations held in Bonn. Talking about Armenia's non-recognition of the resolutions adopted by the international organisations, especially the resolutions adopted by the United Nations Organisation, and Armenia's reluctance to withdraw its invader army from Azerbaijani territories and its destructive
position in negotiations, Heydar Aliyev said that all of the above-mentioned generate obstacles towards resolving this issue peacefully.

The president said that in spite of the fact that Azerbaijan was subjected to enormous losses and destruction in this war, it always took a constructive position and supported the peaceful solution of this conflict. In the opinion of the president, this peace must conform to the regulations of the UN Security Council and the main principles of the "Paris Charter". The integrity of the borders of Azerbaijan, recognised by international organisations and society, must be reestablished, its territorial integrity must be provided, the armed forces of Armenia must withdraw from the territories of Azerbaijan, and refugees must return to their homes. The president stated that for the purpose of provision of security to Armenians living in Azerbaijan, he is ready to provide the autonomy to Karabakh within our republic.

Mr. Rifkind appreciated the peaceful position of our republic, and noted that Great Britain would always do the necessary things to support the fair activity of Azerbaijan. "We will always support the protection of the territorial integrity principles of countries," he said.

The same day, the President of Azerbaijan, Heydar Aliyev, visited the London headquarters of the BBC. Here, the Chairman of the BBC's Board of Governors, Sir Marmaduke Hussey, and by other high-ranking persons and radio staff warmly received the President of Azerbaijan. Mr. Hussey thanked the President of Azerbaijan for his time and for visiting the BBC's, and noted that he had known Heydar Aliyev already before this meeting. He said: "We observe the activities and tasks performed by you in Azerbaijan with astonishment." Mr. Hussey thanked the president for all the interviews he would be giving to BBC Radio.

Emphasising the fact that there were thousands of listeners to the BBC in Azerbaijan, Mr. Hussey thanked the president again for giving space to the BBC to broadcast via the National Radio Station. Noting his pleasure at being at one of the most popular radio and television centres in the world. President Heydar Aliyev said that every person visiting London should greet the BBC. Talking about the huge historical activity of the BBC, the president said that he always expresses deep esteem for Great Britain's internationally known Broadcasting Media Centre.

President Heydar Aliyev noted that the establishment of a representative office of the BBC in Azerbaijan was an important event in our country, and talked about the one-year anniversary which was marked recently, with great satisfaction. The President said that he believed the Azerbaijani office of the BBC would take more active actions, and would broadcast information in the Azeri language.
all over the world in the future. Heydar Aliyev also noted that the BBC's Azeri language programme's listeners were not only in Azerbaijan, but also in countries all over the world.

Talking about the opening of a new embassy building for our republic, which happened on 29th November, President Heydar Aliyev noted that a lot of Azeris living in London came to that ceremony. The president said that there were more than 40 million Azeris living in different countries all over the world, and in his opinion while preparing its programmes the BBC must take into account that there are listeners in Europe, Asia and America.

President Heydar Aliyev proposed that the BBC programmes be broadcast in English on Azerbaijani TV and Radio. He said that there are many who speak English and want to listen to programmes in this language. The president said that all the necessary opportunities would be created for that.

Noting that people trust BBC news all over the world. President Heydar Aliyev talked about the willingness of Azerbaijan to co-operate with the BBC.

Noting that the BBC sometimes gave the wrong information too, the president jokingly said: "It is your profession, that sometimes in order to attract more attention to yourself, you give this kind of information, too, so that people can listen to you with more interest."

The President then said: "I was watching television in Moscow recently. It was reported there, that you would be punished for broadcasting programmes about Princess Diana. This was reported from Moscow. The Moscow television station also gives wrong information sometimes. But it is fair to say that I have also witnessed very good actions by the BBC. In 1989-90 when I lived in Moscow, I resigned from authoritative positions - during that time I was under the control of state bodies, there was even some repression applied against me - and that time the BBC's representatives came and found me in Moscow. They informed me that they were making a six-part documentary film called "The Second Revolution in Russia", and they asked me to participate in this film. I took up their offer. At that time, I was living in a Moscow suburb, but they still found me. I want to point out that the BBC can overcome any obstacles in its way.

While they were preparing this film, I moved to Baku from Moscow, and I moved from there to Nakhichevan. Your young reporters didn't want to leave me alone; they wanted to come to Nakhichevan. But Nakhichevan was suffering from a blockade and the roads were closed. As the communist ruling system was in power, the Soviet and Azerbaijani authorities didn't let them visit me. Therefore, I told them the time of my arrival in Baku and I came to Baku. There I was pursued by the security services. The BBC's reporters installed their equipment in a secret place in order to interview me. Having learnt this, the authorities drove them out of that place. Then my friend found another secret place; I went there and gave them a huge interview. On the completion of the interview the security service's officers came and wanted to arrest them. But the people helping me led the reporters away from there. Then we sent them to Moscow with
some difficulty. Thus, I participated in this film. That film was distributed and welcomed in the world. Four years later, in 1994, those young reporters came and handed over the film's cassettes to me. You see, the BBC had such an adventure with me. One can shoot a film about these adventures. I want to express my appreciation to you again.

Having listened to the President with great curiosity and attention, Mr. Hussey expressed his high esteem for the President of Azerbaijan for the services he had done. Talking about great popularity of the film "The Second Revolution in Russia" all over the world, Mr. Hussey thanked the president for his participation in this film.

Having noted that he was well acquainted with the autobiography of Heydar Aliyev, Mr. Hussey started telling a story about one of the kings of England: "While being searched by his enemies, the King was forced to hide in an oak tree. He climbed up a branch of the oak tree, while his enemies were looking for him under the tree with daggers and shields in their hands. The same as you, Mr. President, he stayed very quiet there, and the enemy went away. Then he became king, and you became president. Mr. President before entering the studio, I would like to let you to have something to remind you of the BBC. I have two small presents for you, one is for you and the other is for your daughter. The present that I want to hand to your daughter is a china plate with the symbol and motto of the BBC on it: "The world must talk about peace and prosperity." This plate was made by an English manufacturer and was given to me, and I in turn give these kind of presents to honoured people. For example, Queen Elizabeth the Queen Mother was given this kind of present, too. This is for you to put on your papers in your study. It is a paperweight. We all have many papers on our table, and we need to keep them."

**Heydar Aliyev:** "I need this most of all."

**Marmaduke Hussey:** "It is also very heavy. If someone behaves badly, you can hit them on the head with it."

**Heydar Aliyev:** "No. I will not do that. Because we are building a democratic state. Sometimes, you criticise us, saying that we have less democracy. If I hit someone on the head with it, you will say that democracy is being violated."

**Marmaduke Hussey:** "I wouldn't say that because the violation of democracy would have been under the symbol and motto of the BBC."

**Heydar Aliyev:** "So the BBC would violate democracy. Bin that case I will say that it isn't me who is violating democracy but the BBC!"

After the meeting, which was carried out in sincerity and tenderness, the President of Azerbaijan, Heydar Aliyev, answered questions from BBC reporters. **Question:** The petroleum agreement was signed, and elections have been
held in the republic. Kind prospects have been promised to the Azeri people. What is your opinion, when will ordinary people feel a change in the situation and some positive results?

**Answer:** They will feel it soon. It is not a matter of one day or one minute to change the situation to a positive direction.

**Question:** How much time will it take?

**Answer:** It is impossible to say how much time it will take. But the situation is changing for the better day by day. You know, on the one hand people are curious about the economic situation, of their welfare standards. On the other hand, people are curious about the domestic stability, peace and security. That's why when saying "changes" we don't mean simply that people will have a good salary, that they will have butter and meat, that the prices of goods will be cheap. People are curious about everything. Azeri people are so patient that sometimes they say: "We will tolerate this, too, we can tolerate living in camps - but we don't want war. We want our occupied territories to be liberated, we want our refugees to go back to their homes." Some criminal groups had formed inside the country, they committed many crimes - both against the government and the people. During these two years these criminals have been liquidated, they are being exposed and arrested, and this in turn discloses huge crimes. This is not only protection of the government - undoubtedly in some way it is - but from another point of view this is the protection of people's security, and tranquility and peace are being established in the country.

Therefore the results of all these measures will appear every day. But it’s unlikely you will go to bed today and wake up tomorrow and see that prices are cheap for everything, that there is much meat and butter, that there is peace everywhere, that there are no criminals, that the occupied territories have been liberated. This cannot be done within one day.

**Question:** You talked about the war. In your opinion, there is a base for the resolution of the Karabakh conflict in the new constitution of Azerbaijan. What do you mean by this?

**Answer:** First of all, there are articles on the territorial integrity of Azerbaijan, secondly, the territory of Azerbaijan is inseparable and the borders of Azerbaijan can only be changed by nationwide voting. No official person in power, including the president can change the territory of Azerbaijan without the people's consent. It is attached to the will of the nation. And this is a big guarantee.

**Question:** What about the other side?

Of course, the other side, which is the invader, Armenia, the ones who occupied Azerbaijan's territories, they want to pursue their aggressive occupying intentions. They don't only want to keep all the territories of Azerbaijan they have occupied; their sole intention is to attach Karabakh to them.

**Question:** Does this mean that you would consider a military solution to the conflict or a political one?
Answer: No, we are talking about the peaceful, political solution to this issue.

Question: Mr. President, the election process was subjected to criticism by the western observers. And you have said that the elections were a success, and carried out democratically. What is your opinion based on? Generally, how do you consider the foreign observers' conclusions?

Answer: You know, this is absolutely natural. Is there anything in the world that cannot be criticised? Is there anything? Is it possible to criticise the BBC? Isn't it? There is nothing in the world that cannot be criticised. There is no government in the world that cannot be criticised. There is no single event that cannot be criticised. That's why the observance of some mistakes by foreign mediators during the elections and the exposure of transgression in several places, in other words the criticism, doesn't mean that the elections were not held normally. The elections were held normally. It is not possible that all the foreign observers would say, "I evaluate everything with top marks." That would be a one-off. In the former Soviet Union, there was never such a situation when they were saying that everything was perfect. Therefore, I regard the criticism of the observers to be natural; in some cases they may have biased conclusions, too. I want to add this, too. Things that they say are not God's message, and the Koran's verses. Everyone conducts his observance and states his thought as well as he knows. We regard them too - though they may be biased. But at the same time we consider that our elections were held mostly democratically, and that the deputies were elected in democratic conditions.

Reporter: (in Russian) Thank you very much, dear President. Let me ask you some questions in Russian, and please answer in Russian, too. Mr. President do you agree with the idea that there is a Russian influence on what is happening in your region? If yes, what kind of influence is this? What's your opinion?

Answer: Undoubtedly, there is a Russian influence on the course of events in the region. When we say region, we mean the Caucasus, including Transcaucasia, in both cases there is a Russian influence. This is natural. Because, as they say, this important part of the world - there are independent countries in Transcaucasia now - for many years, decades, even centuries was part of Russia, part of the former Soviet Union. Therefore, Russian influence here is natural; let nobody be surprised at this.

Question: In foreign experts' opinions, cold relations are observed between Azerbaijan and Iran. It is considered that Iran is concerned about the fact that Azerbaijan could become the West's support in the region. Do you agree with these speculations?

Answer: You know, there is some coolness and unrest in our relations. But it seems to me that this doesn't characterise relations between Azerbaijan and Iran. Iran has its own speculations concerning its relations with Azerbaijan. For example, Iran is unhappy with our signing the contract with western oil companies, especially with the USA's companies which have very complicated relations with Iran. But we are also unhappy with the fact that Iran actively supports Armenia,
supplies it with strategic goods and products, and Armenia takes advantage of this support and makes its position more strict when negotiating with us. It means we are dissatisfied with Iran, Iran is dissatisfied with us. But I guess, the above- said must not influence the definition of the strategic direction of mutual relations between Azerbaijan and Iran. We are trying to keep and strengthen friendly relations with Iran in all fields, especially in economic, trade, science, culture and human relations fields.

**Question:** Mr. President, despite the culture, religion, ethnic similarities and historical relations that Azerbaijan has with the Central Asian republics and Kazakhstan, if we take it generally, sparse relations are observed between these countries. Is there any possibility of establishment of any political group between these countries, including Azerbaijan, in the future?

**Answer:** You know, undoubtedly I can see this intimacy, and this process must begin. I share your thoughts on the absence of tight relations between these countries. Perhaps, this is related to the processes of transition. Now every country is concerned with its own problems, domestic issues, their economic situation, and each country is searching for more appropriate ways to solve its problems. This is natural. But I believe that these things will be removed. Historical relations, and our cultural, religious and linguistic affinity will help create relations of a more active character between these countries, including Azerbaijan. Regarding the establishment of any regional formation, I don't see any necessity for it.

**Reporter:** Why? You could approach these republics from the political point of view.

**Answer:** This is unnecessary. There are so many establishments in the world; I don’t see any necessity to create one more. We just need to keep kind relations and agree on all issues.

**Question:** Don't you think that the establishment of such a formation could balance the strategic interests in Central Asia and the Caucasus?

**Answer:** You know the establishment of any such regional formation between countries generates reciprocal actions. I consider that there is no necessity to establish such a formation.

**Reporter:** Thank you for your interview.

President Heydar Aliyev met members of the business circles - high-ranking officials of companies, banks, finance and industrial institutions, who participated in the international conference devoted to "Investment Opportunities in Azerbaijan" on 30th November.

The Executive Director of the Adam Smith Institute, Michael Bell, thanked the president for his time and for coming to this meeting. He said that people
gathered at the meeting were members of companies that already function or intend to invest in Azerbaijan. Mr. Bell noted that the participants gained the information they were interested in from members of the Azerbaijani Government, but that they wanted to talk to Heydar Aliyev in order to learn about the activities performed for developing the country's economy, and the state of the performance of reforms in Azerbaijan.

**The speech of the President of Azerbaijan, Heydar Aliyev:**

- I'm very glad you are taking advantage of the time you spend here. Authorities of the republic, who came here with me, are very well acquainted with our activities. If they can answer your questions, then they will lighten my work. Of course. I'm going to inform you of the goals of our visit here, and what we expect from these meetings.

Being an independent country, the republic of Azerbaijan wants to take its position in the world economy and the world community. Undoubtedly, we want to build our economy on the basis of methods and rules that already exist in the world, the already shaped and formed methods of economically developed countries, and types of administration of the economy. You are the representatives of economically developed countries, and the company, bank or firm which you lead or represent has passed through big stages in the economic field and reached high levels. Despite the high level you reached, you always search for opportunities to widen it; you seek new regions in order to expand the scope of your economy. Azerbaijan is a young country, which has gained its independency recently, and it is at the phase of transition from the century-long socialist economic system to the new economic system. Therefore, in order to increase your interest in Azerbaijan, I want to talk about some of the general principles of Azerbaijan.

First of all, Azerbaijan is an independent country and capable of defending its independence, leading its independent policies and being an independent country wishing to develop its economy and to establish beneficial bilateral relations with other countries of the world. Azerbaijan has totally moved away from the former Soviet, communist ideology, and in the social, political and economic fields the return of this ideology to Azerbaijan is impossible. The national ideology of Azerbaijan is to provide the independence of our country, and our strategic aim is to build a democratic legal state in the field of democratic state establishment in Azerbaijan, to establish a democratic society, protect human rights, to give more opportunities to political pluralism and to provide freedom of conscience for all citizens.

In the economic field, our strategic aim is to hold reforms in the republic for transition into the market economy, to gradually apply the reforms of free and market economy to all fields in Azerbaijan. Substantial work has been done in this field. Many laws and acts have been passed in order to perform these economic reforms. The biggest law and programme is the privatisation of properties. Our privatisation programme has already been adopted, and the respective law
has been passed by parliament. This programme is being performed currently. We intend to complete the privatisation within three years. Small enterprises are also being privatised in the trade service fields. Regarding large enterprises, their privatisation is being carried out according to the programme. There are opportunities for foreign companies and the citizens of foreign countries to participate in this privatisation process; preferential terms are given the proper weight for this.

Reforms have already begun in the agricultural sector. This means that the alteration of the forms of property and the establishment of a private sector are considered here. We are using various methods to complete the process. For example, along with privatisation, we forwarded proposals of administration from the big industrial enterprises by foreign companies. I will give a statement to you about this too, and let you know that if different companies accept our proposals, then we will perform them.

We will try as widely as possible to use the experience of developed countries in the field of the market economy, in accordance with the features of Azerbaijan. For the performance of all these reforms and substantial changes, acts have been passed and the main thing is that all of them were adopted by a nationwide referendum that was held on 12th November, and were put down in the first constitution of the Republic of Azerbaijan. The first parliament of the independent Azerbaijan was elected this year, on 12th November, and this parliament was elected on the basis of democratic principles. The parliament has already begun its activity. I want to inform you that the majority of deputies elected in the parliament support the strategic aims of the government and president of the Republic of Azerbaijan in economic, state-building and political fields including the external policy field.

As I mentioned, for the performance of democratic and economic reforms we have passed many laws and normative acts, and on the basis of our constitution we will pass more laws in the future, too. We are ready to execute all of these tasks in order to bring foreign investment to Azerbaijan, to perform joint activities in our country and to integrate the economy of Azerbaijan into the world economy, and I would like to let you know that some more preferential terms will be considered in this direction. Of course, every investor must be advised about the opportunities of the country he is investing in. I want to say that the opportunities are substantial. Azerbaijan has rich natural resources, big industrial potential, and strong intellectual potential; we have experienced specialists in many fields. We have enough manpower.

Undoubtedly, the internal social and political situation of the country is important for every organisation and company which intends to invest in that country. I would like to inform you that the internal social and political situation in Azerbaijan is totally stable. The state bodies of Azerbaijan, headed by the president, have total control in all fields. Azerbaijan is a developed country from a cultural point of view. You will encounter Europe and Asia in Azerbaijan, the most beautiful integration and synthesis of Europe and Asia are in Azerbaijan.
Therefore I'm inviting you to Azerbaijan and I provide you a guarantee that our co-operation will be productive.

Then, the President of Azerbaijan Republic answered the questions of participants at the meeting.

**Question:** I learnt from British businessmen who were in Baku one month ago that there are suitable opportunities for investment in your country. I want to ask you two questions in this regard. First, doesn't the declaration passed on 9th October determining the route of the pipeline for exporting oil from Azerbaijan prove that Russia concurs with the joint exploitation of the oil reserves of the Caspian Sea belonging to Azerbaijan, both by Azeri and foreign companies? What do you think? Will there be any dispute with Russia during exploitation of the oil and gas reserves of this region in the future? My second question is related to this. Does Russia consider the soonest possible solution of the Karabakh conflict as its strategic policy, and does it want it?

**Answer:** First of all, we have declarations on the exploitation of oil deposits in the Azerbaijani sector of the Caspian Sea, and on the routes of the pipelines regarding the export of the Azeri oil. One year ago, to be precise, in September 1994, the big oil agreement was signed. This agreement was about the exploitation and production of three oil deposits in the Azerbaijani sector of the Caspian Sea over 30 years. A substantial amount of work has been done since the signing of the agreement. The programme, which was made on the basis of the agreement, will be performed in due time. As a result of it, in October this year a decree was passed on the construction of pipelines for exporting Azeri oil in 1996. One of them will be connected to the Black Sea via Russia; the second one will also be connected to the Black Sea via Georgia. The consortium plans to provide an approximately 600-million-dollar budget for the year of 1996. So we can say that the agreement is being performed. Russia is participating, too. In the agreement's project, 10% of shares belong to the Russian company "LUKoil". As I said before, one of the pipelines exporting Azeri oil will be laid via the Russian territory. Thus, we do business and co-operate with Russia. Now you want to know whether Russia will allow that or not in the future. This question is little bit a suspicious, that is to say the question is unclear. All the coastal countries of the Caspian Sea, including Russia and Azerbaijan, have equal rights to the exploitation of the resources of the Caspian. We also consider that all the relations must be set out within the framework of international legal regulations. Of course, Russia must also abide by the international legal regulations. That's why we don't see any big problem here.

Regarding your question on Nagorno-Karabakh, this is our biggest problem. In order to regulate the conflict between Armenia and Azerbaijan peacefuly, a big meeting is being held in the German city of Bonn, during my present visit to London. Negotiations are being held between Armenia and Azerbaijan. The co-chairmen of the Minsk Group are also participating in the negotiations. I can tell you that yesterday evening and this evening those negotiations have continued.
Early this morning, I received information by telephone regarding the course of the negotiations. Russia is also taking part in these negotiations. Because Russia is one of the co-chairmen of the Minsk Group. The Minsk Group has two chairmen now. One of them is Russian, the other is Finnish. Therefore, Russia is involved in this issue. We want this issue to be solved peacefully. But our main terms are the followings: the territorial integrity of the Republic of Azerbaijan must be preserved. The territories of Azerbaijan occupied by Armenia must be liberated. The invader’s armed forces must withdraw from the territories of the Republic of Azerbaijan. These are fair terms. We have proposed these terms on the basis of international legal regulations, and Russia must make efforts towards the peaceful solution of this problem according to our terms. But whether this issue is solved or not will take a lot of time. But this cannot generate any obstacles against investing in Azerbaijan. Therefore, you don’t have to worry about it.

**Question:** Mr. President, I represent one of the biggest insurance companies in the world, the American International Development Company. Most of the former Soviet Republics have established insurance companies, outside their borders, in other words abroad. The goal of these companies is to insure foreign investments invested in their country. For example, Russia has established such a company in the Bahamas. Uzbekistan has established a joint-venture insurance company with my company in London. Two more former Soviet Republics are going to apply for this insurance. We would like to know, in addition to the activities you have done so far, is the government of Azerbaijan going to apply for insurance?

**Answer:** You know, in order to make changes in our economy we try and will be trying to apply all the possible measures. The information you gave is very interesting. I suppose we have to make use of your experience. I suppose my counsellor, professor Vahid Akhundov will say a couple of words about it.

**V. Akhundov:** In order to insure various economic processes, we began to get involved with foreign insurance companies. As you are aware, our State Insurance Company co-operates with foreign companies. In our opinion, we have to co-operate with other companies in order to insure the political risk. In short, we have to perform all the activities in order to attract foreign investment. Therefore, we are carefully learning the experiences in this field.

**H. Aliyev:** I'm going to instruct my counsellor to get some information about your relations with Uzbekistan straight away. If it is really useful experience, we will certainly apply it.

**Question:** Is the Government of Azerbaijan intending to encourage foreign investors and to attract foreign investment to the country by decreasing taxes, and applying privileged taxes?

**Answer:** Yes, we are intenting to do this. Again Professor Vahid Akhundov can inform you about the activities we have done and that we are going to do in this field.

**V. Akhundov:** I must note that the creation of privileged opportunities for
foreign investors holds an important position in the president's policy. We talked about the various features of economic and taxation policy yesterday. We hear some complaints from foreign companies about the application of heavy taxation against individual persons. Let me inform you that according to the president's instructions, together with the Taxation Inspection Service and Ministry of Finance we are reviewing the new rates of taxation. In this respect we resort to the thoughts and proposals of all companies and firms functioning in our country. We are going to hand over all the prepared materials for examination up to the end of the year.

Concluding speech of the President of Azerbaijan Republic Heydar Aliyev in the international conference on the theme of "Investment Opportunities in Azerbaijan"

Dear Ladies and Gentlemen!

I'm very satisfied with the fact that the worthy conference organised by the Adam Smith Institute, devoted to the problems of Azerbaijan, its economic development problems and to the future of the Azerbaijani Republic was held in London.

During this short history of our independence we have executed many activities in order to integrate into the world community, to find our proper position, naturally, by applying all of these, to develop the country and improve the welfare of our people. These activities are getting results. We are a legal member of the world community. One could say that we participate in all international organisations. We have established sincere relations with many countries of the world, especially with economically and democratically developed countries.

But, we are supposed to pass a longer road, for strengthening our position in the world community, we must rebuild the government structure of today's Azerbaijan, both from the social and political life and from the economic points of view, and especially, we have to provide an intensity of economic development in accordance with international standards - this is the most important factor for achieving all our purposes - we must make all efforts to move successfully along the strategic course and perform the reforms of the market economy.

We can clearly see that we are at the beginning of this road. We clearly understand that there is much work and a sufficient amount of difficulties ahead. But this two-day conference held at the Adam Smith Institute fills us with hope.

The representatives of many countries, business circles, finance centres and the biggest companies of the world, have been trying to learn about the opportunities of Azerbaijan with patience and at the same time with great interest here in this hall, over the last two days. During the two days, the representatives of Azerbaijan have been heartily trying to explain the opportunities and situation in Azerbaijan to participants of this meeting, in order to give way to investments, to perform joint projects and develop tight economic integration. And now, as this
conference comes to an end, we can say with absolute assuredness that we have reached the goal we set as our aim. We can realistically say that the conference was a success.

To be honest, on the one hand I came here with great hope and of course with belief, on the other hand I had some suspicious feelings: The Adam Smith Institute is conducting such a worthy conference, they invited many business people and the representatives of finance centres from all over the world. What will the conference be like, will it be successful? We lived under the socialist society system for many years, I know from history and from our own past that these kind of conferences with big amangements are usually prepared with very serious efforts - I mean that this is what we have experienced in the past - and people were being selected to take part. Coming to any conference was obligatory for them. This is what used to happen in the Soviet Union, in socialist society, where I spent the main part of my life.

Therefore, again referring to memories from my past, I tried to imagine the way the conference would be.

And finally, again referring to the past, I would like to say that the beginning of the conference was usually very active, but after that the number of participants gradually decreased, and at last, close to the end of the meeting, only the most active people remained. I repeating, if it wasn't obligatory, it is true that even those times, despite the serious discipline from top to bottom in our former Soviet Union, people used to succeed in leaving these kind of conferences halfway through with various excuses. So the end of the conference differed very much from its beginning.

The grounds for suspicions were my observations from the past - how it would be, what would happen. I will tell you the truth; this is my first participation in a worthy international conference of this level. Of course, before, as the head of government delegations, I participated in the arrangements and conferences organised by different countries in the past. But the fact that this conference was prepared and held by a very influential and trustworthy institute, to be honest is an event that deserves high praise. This is the kind of conference, which is patronised by sponsors, and many interested people have come here. They have listened to all the speeches with attention and patience over the two days. We are also ending the conference with the very same delegation, which we came with.

Therefore, first of all I would like to express my sincere gratitude to the Adam Smith Institute for its efforts in preparing and carrying out this conference. Undoubtedly, the preparation of this conference took several months with serious approaches. When I took a concrete interest in the issues regarding this conference, I was presented with a whole set of documents, prospects and programmes. They were prepared by the Adam Smith Institute and sent to all the interested institutions, companies, firms, banks and business circles a few months ago. Therefore, I really want to thank the Adam Smith Institute for their initiative, substantial preparation work and for conducting this conference so successfully.
Thank you very much!

The Adam Smith Institute carries the name of an outstanding scientist, economist and founder of an economic system. This system has passed the trials of time, despite many changes that have taken place on our planet, and today it is the most perfect system for all countries and continents. This institute carries the name of the founder of an economic system, a system we are all trying to learn. And the institute itself performs its duties with dignity. We say thank you to this institute, to its leaders, to everyone who works here and to all the organisations which participated with this institute in the preparation and successful holding of this conference. We thank you, and wish you success in holding this kind of conference and in the performance of all your goals, large or small, in the future. Thank you very much!

I would like to thank the sponsors who participated in the preparation and carrying out of this conference. To be honest, the notion and role of sponsors are unfamiliar to us, and generally to people who recently entered this system. I'm speaking to you very openly and sincerely. I'm telling the truth. We thought that the sponsor was the sponsor. Before, we knew that there were sponsors and that they sponsored actors or arts performances etc. All of these are known notions for us. But we are starting to realise who sponsors are now, and their really fragile role.

Therefore, the sponsor of this conference is concretely known only to the Adam Smith Institute. Without going into the details, I want to thank all the sponsors, all those persons who made an effort with the Adam Smith Institute to organise and carrying out yesterday's and today's meetings here. Thank you very much!

We consider that this conference has already played its role for Azerbaijan and for the future of our republic, and we will certainly see its specific benefits and results for our republic. I am sure it will happen in the near future! The most important thing for us is that we can demonstrate to the whole world, to world businesses, to the world economy and to the business circles of the world what Azerbaijan constitutes from the political, social and economic points of view, through this conference. We can demonstrate the potentials that Azerbaijan possesses and that they could actively co-operate with us. In order to make bilateral profits and benefits, we can demonstrate our scope for bringing foreign investment to our republic.

I think that we could cope with this. Of course, perhaps, we could have done more, but for us this is our first experience. Anyway, we have made efforts. And all the representatives of Azerbaijan speaking here tried to inform the participants as much as they could, to receive benefits in return. This means, we expect concrete steps to be taken towards economic relations with us. I suppose that with the participants' assistance we were able to assure the groups which are of interest to us that Azerbaijan is stepping forward heartily on the road to market economy, towards the performance of market reforms, the execution of structural changes.
in the economy, the performance of reforms in the banking and financial sectors and the performance of reforms in the agricultural sector. Azerbaijan is heading towards the privatisation of private property; it is creating opportunities for the establishment of private property, it provides a guarantee of this. In other words, Azerbaijan is making great changes, and it is creating an opportunity for everybody who is interested in Azerbaijan so that he can come to our republic with confidence.

It seems to us that all these give grounds for future co-operation. Therefore I consider that this conference will have its benefits. We are expecting this benefit from the participants of the conference, from foreign investors. Of course, it does not mean that someone will bring something or will give a present to us. We mean that we will have new relations, new agreements, new contracts; all of these will enable us to connect our economy to the world economy. We will possess investments. We will see the way that foreign companies actively join in the privatisation process in Azerbaijan in order to obtain properties. We cherish hope for this, and we are expecting concrete results from it.

I have been informed that here at this conference our shareholders, foreign companies, have expressed interest in matters that are of great importance to foreign investors. One of these matters is related to the protection of investment. As mentioned in our speeches, there is a law in Azerbaijan on the protection of capital investment. But today, we inform you, and I want to assure you that we will do everything in order to modernise the investment protection system. If there is any necessity to make amendments or additions to this law we will do that. In other words, we will take additional measures for the protection of capital investments and foreign investments, which in turn creates a solid, long-term legislative base and insurance. You can be sure that as President of the Republic I myself will be controlling the course of the fulfillment of the reforms I promised you.

The second matter that seems to me to have caused concern is the organisation and administration of investments of capital in Azerbaijan. I want to repeat again that we are working on this problem. I have recently signed a decree on the establishment of a specific national agency for the administration of capital. This national agency is capable and authorised to organise and manage the capital investment process in Azerbaijan.

This is not an organisation of an administrative character, but an agency. It will assist in organizing share capital and will support shareholders so that they can rapidly find places to invest their capital and can find the appropriate shareholders for themselves to sign respective agreements.

In other words, this agency is willing to perform all the tasks it aimed at, in order to provide capital flow to Azerbaijan, and assist every investor, every person who wants to co-operate with Azerbaijan.

In short, I think that this is an important matter to you, too. In order to make use of our opportunities, you must be sure that if anybody wants to come here, he can do it with confidence. You must be sure that this system is being improved to
reach the perfect level.

Regarding taxes: Of course I can state that taxes are a major obstacle. It is natural that the taxation system is an important issue for people who want to do business in Azerbaijan or to work jointly with the respective firms in Azerbaijan. We will do our best to bring the taxation regulations and system to order, and secondly to provide beneficial and privileged taxation conditions for capital investors.

I want to conclude this matter, and want to tell you that if the current taxation system is an obstacle for anybody, he can be sure that we are going to take the proper measures to establish privileged taxation rates, which will be able to stimulate capital investment in Azerbaijan.

Some very important speeches have been delivered here. Referring to the words of our representatives who have been here permanently, all of these speeches were very interesting and effective. Therefore, I want to thank every person, who adheres to the development of economic and business relations with Azerbaijan. Of course. I'm addressing my thanks to all who came to this conference from different countries. I believe that our dear friend the chairman of this conference thanked the Azerbaijan representatives speaking here. I think that they will activate their actions to support Azerbaijan to gain trust and respect just like now, in the future, too.

I want to thank everyone who gave speeches here, and proposed offers. I repeat that all the speeches were effective and interesting to us. I've been informed that the speech of the chairman of the operating committee of the oil consortium. Mr. Terry Adams, about the agreement signed in September of the last year, was particularly interesting. As far as I'm aware, he talked sufficiently about the preparation of that agreement and the course of the execution of tasks over the last year, about the development of the agreement, about possible actions that must be taken in order to perform the agreement. But as you know, every action has its position and effect in business. Of course, there are many perfect examples, which take their respective positions in the history of world economy and world business. But I suppose immediately after was signed, the agreement known as "the contract of the century" was of great historical importance to us, to Azerbaijan and to all those who are linked with Azerbaijan.

But along with this, the execution of the agreement programme is just as important. Mr. Terry Adams also talked effectively about the current situation in Azerbaijan, about the working conditions of foreign companies, their representatives and offices, and about the good co-operation that provides the successful performance of the programme of the agreement, and at the same time about the potential opportunities, which might be useful in the process of the well-grounded execution of the oil agreement.

This is a matter on the level of our scientists and specialists too. This is a matter of involvement by our specialists in the performance of this agreement. This is a matter of the high intellectual potential of Azerbaijan. This is a matter of the
civilised atmosphere in Azerbaijan, for every European and for every person who has come a long way in the field of business in many economically developed countries. Therefore the signing of this agreement, its solid performance and the information that Mr. Terry Adams gave you is ample proof of the activities currently going on in Azerbaijan. Moreover, this applies to activities done in all fields, not only in the energy, and oil and gas production fields.

As I acknowledged, Mr. Terry Adams was asked questions about the pipelines for exporting oil from Azerbaijan. I can talk unambiguously about the conditions of the process. We adopted the decree on the construction of pipelines on two routes on 9th October. One of the pipelines will be connected to Novorossiysk via Russian territory; another pipeline will be connected to the Black Sea port of Supsa via Georgia. You can be sure that this schedule will be carried out. The negotiations were held in two stages in Moscow with the Energy Ministry and the Cabinet of the Russian Federation on the signing of the respective documents for commencement of the well-grounded works for construction of the north route pipeline via Russia, and our representative delegation from the consortium and the representatives of the State Oil Company of Azerbaijan will visit Moscow again in the near future. As I'm informed, all the projects have already been prepared for the signing of these documents. So we can start working properly towards the construction of the pipeline.

The second route will pass through Georgia. Preparations are being held here, too. There are no problems. So, we intend to deal with the construction of the pipelines on two routes simultaneously. An temporary solution will be found until the production of Azeri oil can be exported according to the schedule of the agreement. Let nobody worry about it.

The Vice President of the European Bank for Reconstruction and Development, Mr. Ron Freeman, delivered an excellent speech here. We would like to thank Mr. Freeman for the information that he provided here regarding the joint activities of his internationally-recognised authoritative bank in the Republic of Azerbaijan. We are hopeful that this is the effective proof of the cooperation of such huge banks like the European Bank for Reconstruction and Development with Azerbaijan.

I think, we will try to do everything in order to justify the interest of the European Bank for Reconstruction and Development in Azerbaijan, and we are going to review the projects presented there. The list of these projects is substantial. We will examine those projects ourselves in the near future in order to conduct the final negotiations with the European Bank for Reconstruction and Development for crediting them. We would like to thank Mr. Freeman for such a sincere and effective speech. His speech gives us the opportunity to demonstrate the scope of Azerbaijan to other financial groups.

I suppose there were no other questions, or were there? I was told that one more issue must be specified. This is the insurance of foreign share capital. You
know, the insurance field is also a new activity for us. When we lived in the former socialist system there was only the state insurance service. I worked in many positions of authority in Azerbaijan, and in the Soviet Union, too. But, to be honest, we could not properly understand what that state insurance service insured. Because everything belonged to the government. I suppose there was an organisation dealing with this matter.

Therefore, this activity is a new and important characteristic of our economic life. And we all realise the importance of the insurance of capital shares, and we understand the importance of insurance of any business activity in our republic. I would like to inform you that we are taking the proper measures to provide opportunities to insure foreign share capital in Azerbaijan. You can be sure that for our part, by means of legislation and instructions, we will take all measures. I can assure you of that; we will be dealing with these issues separately, because this issue was mentioned in the speeches of some of the participants of the conference. This is on the one hand; on the other hand, having begun the processes of market relations and bringing in foreign capital, we feel that the insurance issue is our weak spot. In actual fact, we have to create a very trustworthy and guaranteed insurance system, especially in the field of the insurance of foreign capital investments. Let nobody have any concerns about this.

I have tried to touch on some of the issues that caused some participants concern. In conclusion, I would like to mention again: foreign capital investors need political, social and political stability in any country they are interested in. Azerbaijan is a stable country. The country needs a guaranteed government - Azerbaijan has got this. A parliament and legislative body is required: the kind of parliament that will oversee successful economic reforms and develop laws, which will attract foreign capital. Azerbaijan possesses such a parliament.

We conducted elections, and set up a new parliament. As I mentioned yesterday, the majority of this parliament supports the course aimed at by the president and the government for the establishment of economic and political reforms. The Independent Republic of Azerbaijan has its own constitution. There are articles in the constitution providing the freedom of property, freedom of entrepreneurship and freedom of citizens. Of course, we have a constitution in Azerbaijan which guarantees the successful activity of state establishments.

A trustworthy government system has been established in Azerbaijan. This system has total control of the social and political situation in Azerbaijan, and creates opportunities for private entrepreneurship and free economic development. We have all these opportunities, all the guarantees. Finally, the President of Azerbaijan is a guarantor of all capital investors. He himself came here specially, and he directly states that nobody should have any concerns and everybody should feel free to co-operate with Azerbaijan.

I'm sure that this conference will produce concrete results and will lead us to bilateral beneficial relations. I would like to wish success and prosperity to all the
Interview of the President of the Azerbaijani Republic with a journalist from the "Economist" magazine of Great Britain

Question: To your mind, how will Azerbaijan be richer after the exploitation of the oil resources? They say that Azerbaijan will turn into the next Kuwait.

Answer: It is beyond question to me that Azerbaijan will explore its oil resources profitably and rationally, and in case it will be able to organise good production, it will be rich.

Kuwait is Kuwait, Azerbaijan is Azerbaijan. Why should everybody seek to resemble Kuwait? Maybe in the future there will be reasons for other countries to want to resemble Azerbaijan.

Question: I agree that if Azerbaijan uses its oil resources rationally, it will become rich. But why did it not happen previously?

Answer: You know that Azerbaijan has produced a lot of oil before now. Azerbaijan is the first country, which began to produce oil on an industrial basis. The first oil gush in Azerbaijan was in 1848. At that time, oil was produced nowhere in the world. The oil in the USA, in Pennsylvania, came in 1858. In the second part of the 19th century, oil production was so high that foreign companies came to Azerbaijan to work. In 1970, the Noble brothers came to Azerbaijan to start their activities. The buildings they constructed are still standing today.

In the 20th century, Azerbaijan increased its oil production. But with the creation of a Soviet state, the entire oil industry of Azerbaijan worked for the Soviet economy. During World War II, when the USSR fought against the Germany, it was a war of motors, tanks and aeroplanes, and 70-80% of the oil was produced by Azerbaijan.

Many think that if there was no Azerbaijani oil, the Soviet Union would never have defeated fascism. The first oil production from beneath the seabed was in Azerbaijan. The first oil gush in the Caspian Sea was in 1949. At that time none of the oil derricks around Great Britain were there. Norwegian Statoil also did not produce as much oil that it does now. But all the oil we produced belonged to the Soviet economy. Azerbaijan was not an independent state. Therefore the oil produced in Azerbaijan was directed to the requirements of the Soviet economy.

Now Azerbaijan is an independent country. It is the owner of its own resources. Azerbaijan performs joint work with foreign companies on the oil fields and seeks to increase oil production on the basis of the new economy.

Question: Mr. President, there are no technological problems in foreign oil companies producing oil in Azerbaijan from the ecological viewpoint. But western companies have one concern. This concern is connected with the political risk. Could you tell me your thoughts about this risk. How would you reply to this concern of western companies?
Answer: You know that every company investing in industry runs risks. But the extent and scale of the risk matters. Nobody is secure from political risk. Sometimes a simple force major can destroy everything. It is true that this is not connected with the political risk. But when one goes into business, this possibility should be taken into account. As for the political risk connected with the work of foreign companies in Azerbaijan, the political risk is minimal.

At first, the political risk is connected with the internal social and political state. I said this in a conference held at the Adam Smith Institute and I repeat it now: the social and political state in Azerbaijan is stable and protected by the constitution adopted on 1st November, by laws, legal norms and the principles of democracy. This social and political stability is protected at the same time by the power of the state and its authority. While speaking at this conference, I invited the audience to come to Azerbaijan to work. We have provided every condition for that.

Doubtless, the concerning fact is the Armenian-Azerbaijan conflict which has been going on for seven years. We want to settle this problem peacefully. I hope that we will manage to do it peacefully. A year and a half ago on 12th May 1994, the war was stopped by a temporary cease-fire agreement. This was an agreement signed directly between Armenia and Azerbaijan. There was no participation by a third party in the signing of the agreement. There have been 19 months with no fire. This gives us grounds for further attempts at a peace settlement.

Therefore, the risk connected to this factor is also minimal. In Azerbaijan, the authorities control all fields of the republic. And this should be a great guarantee for companies wanting to invest.

Question: Mr. President, the issue, which concerns foreign companies in Azerbaijan, is not internal stability. They are sure about the stability. The foreign companies are concerned with the relations of Azerbaijan with foreign countries. In other words, most of the companies want to know what the intentions of Russia will be in the course of the development of Azerbaijan. Will Russian allow you to implement this agreement? Some people say that Russia is trying to impede this. It is trying to impede the implementation of oil agreements. Other people say that Russia hopes for the implementation of these agreements and encourages Azerbaijan in this business. Would you comment this?

Answer: You know these thoughts are mixed. Some of them are reasonable, others are not. But the reality is as follows: Doubtless, there is competition among states. An economically powerful country wants to keep other countries in its economic and sometimes political influence. This does not refer to Russia alone. In replying to your question, I would like to mention that Russia is a participant in this agreement. In September last year, the Russian Minister of Energy signed this agreement. 10% of this agreement belongs to the LUKoil Company of Russia.

On 10th November, we signed a new agreement in Azerbaijan and a new
A consortium was founded. The Russian LUKoil Company also joined this. Penzoil of the USA, Agip of Italy and SOCAR are also in this consortium. Russia's share in this agreement is even greater. Yuri Shafranik, the Russian Minister of Fuel and Energy signed the agreement.

Finally, according to the programme of the main oil agreement to produce initial oil, a resolution on oil pipeline construction was signed in October this year. One of these two pipelines will go north through the territory of Russia to the Black Sea. The second pipeline will go west, through the territory of Georgia to the Black Sea. The appropriate agreements and documents on the construction of the pipeline on Russian territory will be signed within the next few days. Thus, you can see that Russia is part of our agreements and a participant. We cooperate with Russia. That is why I hope that Russia will not impede the process.

There are no grounds for concern by western companies to consider Russia as a threat. Therefore there is no political risk in that.

Question: Observers of the events see two obvious elements in the Russian policy. One is the group encouraging LUKoil. This group thinks that Russia should participate in the implementation of the oil contracts signed by Azerbaijan and assist. LUKoil has a share in these agreements. Another group belongs to the political circles of Russia. This group takes a nationalistic position and disputes the joint exploitation of the oil resources. To your mind, is the interest of Russia in the region determined by the first group, i.e. the energetic lobby of Russia, or by the second?

Answer: Firstly, I think that your investigation is groundless. Secondly, you are right that there are two groups. But I repeat that your observations are unreasonable. I think that common sense will overcome. The Russian economic interest will dominate. The military, nationalistic forces cannot hinder us, I hope. We are trying to eliminate the difficulties. In this way we have gained and lost. But we are trying to overcome this.

Journalist: Mr. President, if you do not mind I would like to turn to the more concrete subject of the initial oil production, since it arouses the interests in everyone engaged in the oil industry.

Heydar Aliyev: Please.

Question: In connection with the initial oil production, there are a lot of rumours about two pipelines. Some think that the construction of a pipeline through the territory of Georgia would contribute to the independence of Georgia from Russia. Others say that the pipeline through Georgia would be under the control of Russia as well. To which of these opinions would you give priority?

Answer: You know, generally speaking, researchers, economists and journalists produce a lot of fantasy, and they talk a lot of rubbish. I am not going to expound on such a fantasy. It goes without saying that every economic step favours something and is connected with something. In short, I can reply that the decision on laying these two pipeline was taken deliberately. Firstly, it complies with our economic principles and basis. And secondly, it resolves some political
issues as well.

**Question:** To your mind, where will the main pipeline be? Is there any thought on where the pipeline will be laid?

**Answer:** We have a few ideas. Even international circles have prepared their projects on this. These projects have advantages and disadvantages. We will take into account all the principles and make our own decision. We need time to think. Time will tell.

**Question:** In connection with the first oil export, Turkey has its own ideas. Turkey states that the increase of oil exports through the Black Sea would cause danger to the Bosporus Strait. How do you see this?

**Answer:** If Turkey says that, Turkey is not right. The host of this strait is Turkey. I do not agree with their opinion.

**Question:** We used to say that Azerbaijan had rich resources. To your mind, using these resources will Azerbaijan will become rich? How long will the process last?

**Answer:** You know, desire and reality are one thing and imminent riches are another. To approach this matter, we need several years to implement economic reforms, privatisation and the increase of foreign investment in Azerbaijan. All these will boost the economy of Azerbaijan. And this in its turn will boost the living standards of the people. Azerbaijan's economy will be enriched.

We have a concrete programme and schedule of this in the energy sector. For example, the initial oil will be produced at the end of 1996. But for the initial oil to reach the volume of 5 million tonnes requires two years. The really large oil reserves will be exploited approximately after 2000. To produce large amounts of oil, the construction of a major pipeline is required. Even during this process, the economic state of Azerbaijan will improve. But only in the case of real results, will Azerbaijan reach the riches you speak about. I think we will see the enriching of Azerbaijan even before the period we are counting on.

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**Interview of the President of the Azerbaijani Republic with the journalist of Rita Sota in London**

**Question:** How would you value your official visit to London?

**Answer:** You know that the current mission bears an economic character and is connected not with the state structures of Great Britain but with the Adam Smith Institute and international banks. Taking into account the number of representatives of various business circles in the conference at the Adam Smith Institute, I have had meetings with the representatives of financial, bank circles, companies.

Therefore I think that I achieved all the goals outlined before the visit. I have
a number of meetings planned. For example, I will meet the Vice-President of the European Bank for Reconstruction and Development, Mr. Freeman. My visit is connected with the necessary development of economic reforms in Azerbaijan, the creation of economic relations and the development of private business.

Naturally British authorities have shown an interest in my presence here. I had a meeting with the Secretary of State for Trade and Industry, Mr. Lang. Yesterday I had a meeting with the Deputy Prime Minister Mr. Heseltine and the Secretary of State for Foreign and Commonwealth Affairs Mr. Rifkind. During these meetings, we discussed bilateral relations and issues related to all-sided development. Along with this, we discussed international problems and the Armenian-Azerbaijan conflict and related issues and I mentioned that the conflict should be settled peacefully. I am satisfied with all these meetings. These meetings contribute to the expanding relations between Azerbaijan and Great Britain, international and business circles, financial and bank circles.

**Question:** Mr. President, a number of financial organisations say that Baku follows the way of reforms optimistically. We'd like to know your idea: What are Azerbaijan's prospects for joining the world economy?

**Answer:** It is difficult to give a forecast. But the line we follow, is supposed to give results soon. It is connected with the fact that we have adopted a constitution and there are a lot of articles related to state building, human rights and democratisation. The constitution is devoted to the building of a democratic and lawful state and the democratisation of all spheres of Azerbaijan. The articles of the constitution provide favourable conditions for joining the world economy and the development of ownership. We have started a state programme on privatisation. The programme is supposed to be implemented within three years. We have implemented reforms in the economic field and created favourable conditions for investors. A special national organisation has been founded especially for the control of foreign investments. We are also going to give some of our own companies to the management of foreign companies. All these allow us to hope for rapid results.

The evidence of our progress is the implementation of a big agreement concluded a year ago with II trans-national companies on the production sharing of oil fields. On 10th November, we concluded another contract with LUKoil of Russia, Agip of Italy and Penzoil of the USA.

By the way, this Russian company also participates in the big contract. We have more than a thousand joint ventures with foreign companies. We encourage small business.

**Question:** The Nagorno-Karabakh conflict complicates the economic development of Azerbaijan. What are your methods for eliminating the conflict and what can Russia do in this respect?

**Answer:** First I should say that the conflict has been going on for seven years. The important result is that we have achieved a cease-fire. We signed an agreement on a temporary cease-fire and we follow the agreement. Generally, we
have done a lot during the last few years. For example a summit of the OSCE in
Budapest turned out to be an important stage for Azerbaijan. It was connected with the
resolution of the conflict between Armenia and Azerbaijan over the region of
Nagorno-Karabakh. Talks between Azerbaijan and Armenia organised by the Minsk
Group of the OSCE in Bonn ended yesterday. You know that the Minsk Group acts
under the chairmanship of Finland and Russia. Of course we were hoping for some
progress in our regular negotiations. But we have not achieved this because the
Armenian side is not being constructive in this respect. The report prepared by Mr.
Lozinsky from Russia, and Mr. Talvitiye from Finland is to be confirmed on 7th
December in Budapest during the summit of the Ministers of Foreign Affairs of the
member states of the OSCE. I think the report is a good document. We are in favour of
the peaceful settlement of the conflict. We follow a constructive way in this respect and
work actively.

As for the question on what Russia can do, I tell you that it can do a lot. Firstly,
Russia is a co-chairman of the Minsk Group. Secondly, Russia has a great influence on
Armenia. Therefore Russia can do a lot. If Armenia followed a constructive position, it
would be possible to settle the conflict peacefully. You know that Armenian military
forces occupied more than 20% of Azerbaijan during the conflict. More than one million
people were driven out of their homes. Now they live in hard conditions in tent camps.
Therefore a lot depends on Armenia in the peaceful settlement of the conflict. The
influence of Russia upon Armenia is great.

**Question;** Most of the largest companies frequently speak about the "contract of
the century". They say that signing an agreement with Russia for laying the pipeline for
oil export from the Caspian shelf in the Azerbaijani sector is planned. In this respect,
what are the prospects for Azerbaijan's and Russia's economic relations?

**Answer:** The prospects are good. Firstly, we adopted a resolution on 9th October
on pipelines for the initial export of oil from Azerbaijan. One of these pipelines goes
through Russian territory. Now we are speaking about long term and extensive
cooperation with Russia. By the way, the documents will be signed in the next few days
and then construction of the pipeline will start. Secondly, Russia participates in the
contract. 10% of the share belongs to Russia's LUKoil in this contract. This company
has a big share in the contract concluded on 10th November. The Agip and Penzoil
companies also participate in the contract. Despite the fact that we are going to discuss
our cooperation in the oil industry with Russia, I should note that a significant basis has
already been created. We have had close relations with Russia for a long time. Therefore
we can work in various directions and we will. I see good prospects for that.
The Secretary of State for Foreign and Commonwealth Affairs of Great Britain Mr. Rifkind, came to Baku with an official mission on 3rd January 1996.

During his mission to Azerbaijan, Mr. Malcolm Rifkind gave an interview to an "Azerbaijan" newspaper.

**How do you see the place and role of Azerbaijan in the foreign policy of Great Britain?**

We attach importance to the strengthening relations with all countries of the post Soviet regime. From this stand, Azerbaijan is an important country for us. As Foreign Secretary, I have only visited Russia and Ukraine in the post Soviet era. We want see Azerbaijan as a stabile, independent country following the path of the free market economy. We cordially encourage the increase of investment by BP in Azerbaijan. This is a significant potential for British business. It is displayed in the field of oil and gas. There will be other opportunities for Great Britain business to direct its investment to other sectors as the profit from the oil is invested in economic development.

**Are there resembling features in the policies of Great Britain and Azerbaijan?**

There is a common view on a number of issues for Azerbaijan and Great Britain. And it is not only the settlement of conflicts peacefully and the development of significant economic potential.

Some people have emphasised the role of oil contracts in settlement of the Nagorno-Karabakh problem.

There is no direct connection between these issues. But the settlement of the Nagorno-Karabakh problem and the conclusion of the oil agreement will encourage the prospects of economic development. Therefore Azerbaijan follows the right way of keeping and developing good relations with all its neighbours.

The Ministry of Foreign Affairs of Great Britain participates actively in the settlement of conflicts all over the world.

The UK encourages every attempt at settlement of conflicts via the UNO, the OSCE, the EU and NATO. The UK was a significant contributor to the peacekeeping troops of the UNO in 1995. We joined the initiative of the settlement of regional or national conflicts in Yugoslavia, Africa and Georgia.

**Mr. Rifkind, how do you see the development of political, economic and cultural relations between Azerbaijan and Great Britain?**

We will keep on working to develop relations in all spheres. And my mission to Baku is evidence of this.
On 4th January, President Heydar Aliyev welcomed the Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Malcolm Rifkind to the presidential palace.

During the meeting, President Aliyev pointed to the importance of the first visit of the Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Malcolm Rifkind, to Azerbaijan and mentioned that there was a special history of relations between Azerbaijan and Great Britain. Since getting independence, the relationship between Azerbaijan and Great Britain has developed.

Remembering his visit to Great Britain at the invitation of Prime Minister John Major, President Aliyev mentioned that significant talks were held in London at that time, and documents on expanding mutual relations were signed.

Since that time, our relationship has developed. Speaking about this visit to London a few months later, President Aliyev noted the effective talks he had had with the leader of the foreign policy office. The president talked about the conference held at the Adam Smith Institute and pointed to the importance of this conference for the Azerbaijani economy. The president noted that the main part of our cooperation was in the oil production field. A big oil contract signed on 20th September 1994 was under implementation now. BP played a big role in this.

In October last year, we took a resolution on the transportation of the initial oil. Now we are having negotiations on the laying of a pipeline for exporting oil to Russian territory.

President Aliyev said: "Great Britain is a great state and it has a significant influence on the international community. Therefore Azerbaijan attaches importance to its relations with Great Britain. Our country cooperates with international organisations. Azerbaijan cooperates with Great Britain in the settlement of the Armenia-Azerbaijan conflict, and this cooperation will go on. In short our cooperation is developing. We have a lot of work to do together."

Expressing his pleasure at visiting Azerbaijan, Mr. Rifkind pointed out that his country appreciated Azerbaijan's getting its independence and its active participation in international organisations. That is why a British embassy was opened in Azerbaijan. Speaking about the official visit of the President of Azerbaijan to London, he pointed to the importance of this visit in developing bilateral relations. Therefore he conveyed the gratitude and greetings of Prime Minster John Major to President Aliyev.

Encouraging the activities of BP along with other western companies in the implementation of the "contract of the century", Mr. Rifkind stated that his country supported the companies participating in the consortium.

Speaking about the Armenia-Azerbaijan conflict, the Foreign Secretary Malcolm Rifkind said that Azerbaijan had responsibilities in connection with this problem. Along with other countries. Great Britain was attempting to settle the problem fairly. He pointed out that during the last few years positive steps had been taken in the field of conflict resolution in Africa, the Near East and Bosnia. In this respect, 1995 was a year of peace and we hope that the solution of
Karabakh will be found in the forthcoming year, he said.

In Mr. Rifkind's opinion, international organisations in themselves cannot settle Karabakh conflict. Conflict resolution requires favourable good will and intentions from all sides in the conflict. For example, in Cyprus and Kashmir, the sides do not show their readiness to solve the conflict. Therefore the process of conflict resolution in these regions is protracted. In this respect, the Foreign Secretary of Great Britain stated that during his visit to Armenia the day before, and in Azerbaijan he observed good intentions to resolve the problem. Therefore there was hope that 1996 would be a year of peace. He added that Azerbaijan had great economic potential. The settlement of the Armenian-Azerbaijan conflict would contribute to the realisation of this potential.

At the end of the meeting, pointing to the communal views with Mr. Rifkind, President Aliyev said that this coinciding of positions between Great Britain and Azerbaijan created the basis for bilateral cooperation.

On the same day, with the participation of President the Agreement on Investment Protection was signed between Azerbaijan and Great Britain and a joint resolution on results of Mr. Malcolm Rifkind's mission. The documents were signed by the Minister of Foreign Affairs of Azerbaijan, Hasan Hasanov, and the Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Malcolm Rifkind.

Delivering a speech on the occasion of the signing of the documents, Mr. Rifkind said: "Today is a significant day for Azerbaijan and Great Britain. Mr. President, the agreement signed today comes from the measures taken during your meeting with the Prime Minister in London. It will contribute to the prosperity of the Azerbaijani people. Great Britain hopes for further cooperation with Azerbaijan."

In his speech, President Aliyev said: "I want to say once more that the first visit of the British Foreign Secretary to Azerbaijan is a significant event for us. The signed documents will contribute to the development of relations between our countries. We have had talks on the development of relations in economic and other sphere between our countries. I congratulate you and hope we will have other fruitful meetings in the future."

The Ambassador of Azerbaijan in Great Britain Mahmud Mamed-Kuliev, the Ambassador of Great Britain in Baku, Thomas Young, and other officials took part in the signing ceremony.

On the same day, a reception in honour of the State Secretary for Foreign and Commonwealth Affairs of Great Britain, Malcolm Rifkind, was given at the residence of the President of Azerbaijan.

During the reception, Heydar Aliyev and Malcolm Rifkind delivered speeches.

**Speech of the President of Azerbaijan, Heydar Aliyev**

- Dear State Secretary, ladies and gentlemen! I welcome you to Azerbaijan!
- The relationship between Azerbaijan and Great Britain has a long history. At
the end of the 19th century and the beginning of the 20th century, British companies showed interest in the oil industry in Azerbaijan and they were engaged in oil production along with local businessmen. Baku City, which you have glimpsed, was built during the period of investment flow from foreign oil companies in Azerbaijan, these beautiful buildings were built in the 19th and 20th centuries. Some of them were built by the British investors.

After World War I, Azerbaijan founded the first democratic Republic, and Great Britain was one of the first countries in 1919 to recognise the independence of Azerbaijan. After that there began an economic, educational and cultural relationship between Azerbaijan and Great Britain.

When Azerbaijan restored its independence in 1991, Great Britain was again one of the first countries to recognise it. After that, Great Britain and Azerbaijan’s relationship developed even more intensively and today we can see that the relations are at a high level.

Azerbaijan is in its fifth year of independence. During these times we are trying to strengthen the state independence of Azerbaijan, to get closer to the international community and to find an appropriate place in the international community. We pay great attention to our relations with Great Britain. We pay special attention to the development of a multi-sided relationship with Great Britain and we consider Great Britain as an important friend.

Great Britain is a great ancient country, and it has contributed greatly to world history, culture and civilisation. Today Great Britain takes an important place in the world economy and its word and stance in all world political problems are crucial. Great Britain played its role in the victory over Nazism during World War II. Therefore, the leaders of the victor nations including myself, took part in the celebration of the 50th anniversary of World War II in London with great pleasure.

Today we see the fruits of Great Britain’s peacekeeping attempts in conflict resolution in various countries of the world.

In February 1994, a Memorandum on Friendship and Cooperation and other documents were signed between Azerbaijan and Great Britain. These documents created a favourable basis for the development of cooperation between the two countries. Now we see the results of this cooperation. It is mainly connected with the place taken by BP in oil production in Azerbaijan. We have other agreements in various fields on the development of economic relations. Meetings between the leaders of Azerbaijan and Great Britain have contributed greatly to the development of this relationship. The meetings with Mr. John Major, Mr. Heseltine, Mr. Rifkind, Mr. Eggar and other officials in the British government have created a good ground for the further development of our relations.

In this respect, the official visit of the British Secretary for Foreign and Commonwealth Affairs, Mr. Rifkind, to Azerbaijan is of special importance. It is the first visit by a British Foreign Secretary to Azerbaijan. We attach importance to this. I think we have had fruitful talks and signed important documents today.
This is the next stage in the relations between our countries. During our meeting, issues on the settlement of the military conflict between Armenia and Azerbaijan, the protection of Azerbaijan from Armenian aggression and peacekeeping problems in the region took a special place. High-level government circles of Great Britain have always had an interest in Azerbaijan. We appreciate the activities of Great Britain in international organisations on freeing Azerbaijani lands from occupation and the settlement of the Armenian-Azerbaijan conflict. I hope in 1996 we will get peace and stability in our country and region.

I state again that Azerbaijan is against the restoration of military actions. Azerbaijan wants peace and the peaceful settlement of this conflict. Our main goals are to liberate the conquered Azerbaijani lands and return more than a million people driven away from these lands, and to secure the territorial integrity of our country and we want to do this peacefully. I hope the government of Great Britain will keep on doing its best in the settlement of this problem, which is important not only for us but for the world community.

In short, the visit of your ministry to Azerbaijan will contribute to the strengthening of relations between our countries. We hope we will keep on working in this direction. We are sure that relations between Azerbaijan and Great Britain will develop day by day.

We raise our glasses to the cooperation and friendship between Azerbaijan and Great Britain, to the people of Great Britain, to the Prime Minister of Great Britain, John Major, to Mr. Rifkind and to our guests.

Speech of the State Secretary for Foreign and Commonwealth Affairs of Great Britain, Malcolm Rifkind

- Mr. President!

Let me express my gratitude for your warm words. We are touched by the hospitality rendered to us during our short visit to Azerbaijan. We follow the results gained by Azerbaijan and how it overcomes problems on its way to independence with a feeling of reverence. We have great experience of this and we will help the Azerbaijani people to reach their goals.

Mr. President, you spelt out the history of relations between our countries in such minute detail that it is difficult for me to add anything. I just want to say one thing. Her Majesty the Queen fully supports the development of relations in economic, political and other fields with Azerbaijan.

Our state well understands the existence of a huge number of refugees, and the occupation of a large amount of land. Taking into account the desires and needs of the Azerbaijani people on the one hand, and the necessity to provide the security and progress of your country on the other, we highly value your attempts to settle the problem peacefully.

Mr. President, you may be assured that Great Britain will render any assis
tance in the international community for peace in Azerbaijan.

I’d like to thank you and my colleague, the Minister of Foreign Affairs, Hasan Hasanov, for your cordial reception.

Therefore I request you to raise your glasses to all participants of this reception, to the president, to the Azerbaijani people, to the further development of relations between our countries.

On 26th March 1996, the President of the Azerbaijani Republic, Heydar Aliyev, met members of the official visit of the UK parliament to Azerbaijan, Mr. Kenneth Baker and Lord Nicholas Bethell in the presidential palace.

Valuing the mission of the President of Azerbaijan in 1995, Lord Nicholas supported his thoughts by encouraging the development of the economy and the interest of Great Britain in strengthening Azerbaijan as an independent state. Emphasising the contribution of the Azerbaijani President to the stability of Azerbaijan, Mr. Battle added that everything depended on stability. Pointing to the meeting with Prime Minster John Major before his visit, Mr. Battle conveyed greetings of the leader of Great Britain to President Aliyev and stated that he would meet the British Foreign Secretary, Mr. Rifkind, and report to him the results of the visit. Addressing President Aliyev, Mr. Battle said that Great Britain observed the president’s personal attempts to attract foreign investment and strengthen the independence of the republic with reverence.

Thanking him for his appreciation of his attempts at strengthening the independence of Azerbaijan, President Aliyev stressed that the preservation of independence in Azerbaijan was our duty and that we would fulfill it with honour. Azerbaijan will never give up the way of independence, he said. All the world should know this. In connection with this, President Aliyev expressed his thoughts concerning the known resolutions of the Russian Duma.

At the end of the meeting, discussing the stance of the President on the resolutions of Russian Duma, Mr. Battle said that he had a meeting two days before with the leader of the Russian communists, Gennady Zyuganov, in Moscow, and he talked about the "possibility of the restoration of the USSR" but on the basis of good will. According to Mr. Battle, the leader of the communists did not use the expression "good will" in its true meaning; in other words we should keep our eyes as open as possible.

During his working visit to Luxembourg, President Aliyev met the Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Mr. Rifkind, on 22nd April 1996.

Expressing his pleasure at meeting President Aliyev, Malcolm Rifkind thanked President Aliyev once more for the cordial reception rendered to him during his visit to Azerbaijan. Conveying the greetings of the Prime Minister,
John Major, he said that they remembered fondly his visit to the UK, the meeting he had there and the speech delivered during the conference organised by the Adam Smith Institute, which had been greeted positively by the public.

Thanking Mr. Rifkind for his warm words, President Aliyev stressed the importance of the conference organised by the Adam Smith Institute for the economic development of our republic and the attraction of foreign investment to our country. The leader of the republic said that we attached special importance to the close cooperation with Great Britain in all fields and the work done in recent years was worth appreciation.

Emphasising the observance in Great Britain of the steps taken towards building a democratic state, Mr. Rifkind started to talk about the work done towards strengthening the independence of the republic under the leadership of Heydar Aliyev. During this talk, the ways of preventing the Armenia's aggression towards Azerbaijan were discussed. Expressing the support of Britain for the peaceful position of Azerbaijan. Mr. Rifkind said that they defended the just cause of Azerbaijan and would keep doing this. According to the words of the Foreign Secretary, Great Britain always supports the principles of territorial integrity.

Issues of economic cooperation were also discussed during the meeting. The minister requested the President to assist "Ramco" in share production of the "Shahdeniz" field. Mr. Rifkind expressed his gratitude to President Aliyev in assisting the setting up of a twice weekly flight by British Airways, as was requested during the last meeting.

On 5th June 1996 the president welcomed a mission headed by the Minister of Energy and Industry of Great Britain, Tim Eggar, to the presidential palace. Mr. Eggar was visiting Baku to participate in the "Caspian Oil and Gas Exhibition '96".

Expressing his pleasure at this regular visit to Azerbaijan, Mr. Eggar said that Great Britain welcomed the measures taken under the leadership of the president towards strengthening the independence of Azerbaijan and pointed to the fact that more than 45 British companies were working in Baku.

Evaluating the work of the Caspian Oil and Gas Exhibition, Tim Eggar pointed to the active participation of British companies in this exhibition and the intention of several companies to invest in Azerbaijan. Speaking about the contract concluded between SOCAR and foreign oil companies on the exploration of the Shahdeniz field in the Azerbaijani sector of the Caspian Sea, he stressed its importance and the role played by three signed agreements in the economy of Azerbaijan.

The President of Azerbaijan pointed out that all these created the durable basis for cooperation and trust in Azerbaijan. Speaking about the difficulties some for
eign companies faced in Azerbaijan, the president said that we paid special attention to looking at the experience of influential countries and implementing it. The point is that a free market economy is our strategic way, he said.

The president spoke broadly about the role of the "Investment Opportunities in Azerbaijan" conference organised by the Adam Smith Institute in 1995 in London in the strengthening of relations between Azerbaijan and foreign companies. He remembered the document signed with the Secretary of State for Trade and Industry Great Britain, Mr. Ian Lang during the meeting.

Speaking about the growing relations between Azerbaijan and Great Britain not only in the oil industry but also in other fields, the president appreciated the joint work of "CPT" and "LUKoil" in Baku.

At the end of the meeting, thanking President Aliyev for the participation of Great Britain in the three agreements signed on the share production of an oil field in the Azerbaijani sector of the Caspian Sea and conditions provided for other British companies, Tim Eggar talked about the credits allocated to British companies working in Azerbaijan.

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On 25th June 1996, the President of Azerbaijan, Heydar Aliyev, received representatives of the "Bali" holding group of Great Britain. The former Minister of Foreign Affairs and former co-chairman of the international conference on the former Yugoslavia, Lord Owen, and member of the British parliament from the Conservative party, and former Chancellor, Norman Lamont, represented the mission as directors of the companies.

On 30th September, the mission headed by the Transport Minister of Great Britain, Charles Goshe, came to Baku.

Speaking about the work of more than 50 British companies in Azerbaijan, Charles Goshe stressed that the businessmen of Great Britain paid much attention not only to relations in the oil and gas industry but also in other fields of the economy of the republic. Mentioning that all members of the mission were connected with the transport industry, Mr. Goshe said that they were interested in studying the opportunities of developing the relations in this field in Azerbaijan.

Speaking about he relations between Azerbaijan and Great Britain in a number of fields. President Aliyev mentioned the great opportunities for cooperation in the transportation field and he appreciated the interest of the mission in this field. Azerbaijani President Heydar Aliyev said: "Being located between Europe and Asia, Azerbaijan's geographical position creates good conditions for joint work in the field of transportation."
Speaking about agreements signed between Uzbekistan, Turkmenistan, Azerbaijan and Georgia on the construction of the "Trans-Caspian" route the president said: "The agreements signed on the transportation of cargo from Central Asia across the Caspian Sea and through the territories of Azerbaijan and Georgia to the Black Sea and from Europe to the East are now under implementation. Germany and Romania have shown a deep interest in the route and want to join this project. President Nazarbayev also stated Kazakhstan's intention of joining this agreement during his visit to Azerbaijan. I hope you can express your attitude toward this agreement."

Minister Charles Goshe stated that all the companies of Great Britain would keep on investigating new opportunities of investment in Azerbaijan and expressed his wish to meet the Azerbaijani President in Great Britain again. Speaking about the international conference on "Investment opportunities in Azerbaijan held at the Adam Smith Institute and the great success of the conference at which the president delivered a speech, Mr. Goshe said that after this the interest of British companies in Azerbaijan increased and that investment in our country expanded. Speaking about the agreement on the improvement of the air services and generally on the improvement of cooperation in the transportation field, the minister expressed his satisfaction at the establishment of direct flights by British Airways to Baku. According too Mr. Goshe, there were opportunities in the railways as well.

At the end of the meeting the British minister said: "On our return, the representatives of the mission will have a talk with their colleagues and try to assure them of the economic restoration of Azerbaijan. If they do not come here now, tomorrow it will be too late."

Emphasising the keenness of this thought, President Aliyev stated that the decision taken on enduring the credits of British companies' credits was important for Azerbaijan. According to the president it would create good conditions for the operating of British companies in Azerbaijan.

Being at the summit of the OSCE in Lisbon on 3rd December, President Aliyev met the British Foreign Secretary Malcolm Rifkind.

During the meeting, Mr. Rifkind pointed out that he had listened carefully to the speech of the president at the session on 2nd December. Speaking about encouraging the process of democratic state building and market economy development in Azerbaijan, the minister pointed to the social interest in Great Britain towards cooperation with Azerbaijan and expressed his gratitude to President Aliyev for rendering support to British companies in Azerbaijan.

Agreeing with Mr. Rifkind, President Aliyev talked about the aggression of Armenia towards Azerbaijan and the capture of more than 20% of the territory of
In January 1997, the Azerbaijani President welcomed the mission headed by the Industry and Energy Minister of Energy of Great Britain, Lord Fraser.

During the meeting, President Aliyev stated that the visit of a mission consisting of so wide a group of experts to Baku proved that the relations and friendship between our countries is growing. The president mentioned that our relations with a number of ministers of Great Britain especially with the Ministry of Energy were close.

"While signing the consortium we had a few meetings with representatives of BP, participants of the consortium and the leaders of other companies of your country," he said. "There are a lot of representatives of companies in the present mission. This shows the interest of the companies in Azerbaijan. I welcome this."

During the meeting, Lord Fraser said that the Prime Minister of Great Britain, John Major, requested that he convey his greetings to the president. And he added that Tim Eggar's non-participation in the mission was due to a plausible excuse. Even though Mr. Tim Eggar had resigned from the position of Minister of Energy, he paid permanent attention to the development of cooperation in the field of the oil industry. He would always be a friend of Azerbaijan.

Lord Fraser pointed out that they had come to Baku to execute important work for Azerbaijan. "The company, which I am representing today, has a proposal and programme for cooperation," he said. "Our mission represents 10 companies seeking to work in Azerbaijan. We also have companies, which are engaged in the training of local people and qualifying them. We think that working in Azerbaijan and expanding relations is very important."

President Aliyev thanked Lord Fraser for the greetings of John Major and the information provided, and he added that he had met John Major in London and in other countries a few times. He had got a deep impression from each meeting. "Approximately three years ago in February 1994, during my mission to London, we signed several important agreements on the development of cooperation with the Prime Minister," he said. "These agreements opened the way to the further development of our relations and I think we have seen some results over the last few years. One of the agreements is related to the share of oil production in the Azerbaijani sector of the Caspian Sea. As a result of this agreement, we concluded a big contract in September 1994 and a significant part of this contract belongs to the BP company. BP-Statoil also has a significant share in the contract concluded last year summer on exploration of the Shahdeniz field in Azerbaijan.

Along with this company, other companies of Great Britain have come to Azerbaijan and taken an appropriate place and are cooperating fruitfully. We are satisfied with that. We signed an agreement with the Chairman of the Trade Palace of Great Britain while in London in November 1995. Within this period we cooperated closely with the British Ministry of Energy. Minister Tim Eggar has visited Azerbaijan several times and served our cooperation well. I welcomed Mr. Eggar as my private guest. I hope we will keep on these good traditions."

During the three days of his visit, the British Minister of Energy, Lord Fraser,
met officials at SOCAR, the Azernefchemiyamas company, AIOC and other British companies’ leaders operating in the oil industry in Azerbaijan.

The British mission headed by John Battle the Science, Energy and Industry Minister and including ex-Energy Minister Tim Eggar, visited Baku to participate in the "Caspian Oil and Gas Show '91". On the same day the mission was received by President Aliyev. At their meeting, the president pointed to the speeding of development of cooperation between our countries especially in the field of oil and gas share production. President Aliyev mentioned that bilateral cooperation in other fields of economy was developing constantly and would give results soon.

He stressed the close cooperation between SOCAR and the Ministry of Energy of Great Britain. President Aliyev mentioned the special role of ex- Minister Tim Eggar and said that the new government of Great Britain also showed interest in cooperation with Azerbaijan.

John Battle mentioned that it was his first visit to Azerbaijan as a minister, and he that wished to visit us frequently. He also thanked President Aliyev for his congratulation on the election of Tony Blair to the position Prime Minister. The Minister of Energy of Great Britain stressed that British companies had started working in Azerbaijan. He promised to continue the work of ex-minister Tim Eggar in the field of the development of bilateral cooperation.

The guest added that the oil potential of Azerbaijan was great. The advantageous geographical position of Azerbaijan in the Caspian region gives the opportunity for it to play a key role in the region, he said. Mr. John Battle pointed out that more than 3,000 oil companies worked in Great Britain. More than 20 were working in Azerbaijan. This is evidence that Great Britain is ready for long-term cooperation with Azerbaijan, he said.

At the end of the meeting, he expressed his hopes that Azerbaijani-British relations would keep on developing and pointed out that the "Contract of the Century" had been concluded for a 30-year period. This speaks for our long-term cooperation, he said.

On the same day, speaking about the economic cooperation between Azerbaijan and Great Britain at the 4th international "Caspian Oil and Gas Show '97", he said:

"The British Embassy located here, and especially Ambassador Thomas Young, plays an important role in our attempts in Azerbaijan. My government will show its truth to the commitments undertaken once more during the third session of the Azerbaijan-British Trade and Industry Council to be held this week. The foundation of this Council is connected with the protocol signed during the visit of Mr. President Aliyev. I know that the British side supports the stand of
Your Excellency and is grateful to Mr. Mahmud Memmed-Quliyev, the Azerbaijani Ambassador in Great Britain and co-chairman of a council for the intensive activity of developing trade relations between Azerbaijan and Great Britain.”

During the summit of member state leaders of NATO and the Europe- Atlantic Cooperation Council in Madrid on 20th July 1997, the President of Azerbaijan, Heydar Aliyev, met the Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Robin Cook.

On 21st July, the President of Azerbaijan Heydar Aliyev received Thomas Young and his wife, Elizabeth Young, in connection with the end of his ambassadorial activities.

Expressing his regret that Thomas Young was leaving Azerbaijan, President Aliyev said: "I have invited you here to say that we are pleased with your work here. You have done a great deal towards the development of relations between our countries during your work as Ambassador Plenipotentiary and Extraordinary."

Expressing his regret at leaving Azerbaijan after working here for four years. Ambassador Thomas Young said: "I would stay longer here if it were up to me. I would like to see the fruits of the development." Remembering his arrival in Azerbaijan, the ambassador said: "In mid 1993 we came here at the same time as you. Azerbaijan was experiencing difficult time. Every day people were on Shehidler Hiyabani. There were little hopes for business. However, stability was gradually achieved. In May 1994, a cease-fire was achieved. With the signing of the "Contract of the Century", a development was launched. I am delighted with the achievements of Azerbaijan during these years. Azerbaijan has exercised its independence on an international scale. It was not an easy job."

The Ambassador pointed out that during his time, he had got to know the Azerbaijani people as industrious. "I think that Azerbaijan has a strategic position all over the region and it can become a centre for all activities executed in this region," he said. "Wherever we are we will remain a friend of Azerbaijan. I hope that every time we come here in the future we will see new progress."

Speaking about her public activities, Mrs Young said that she was a member of the International Women's Club. "I became a member of this club and was engaged in voluntarily assisting sick children and elderly people," she said. "Our purpose was also to establish a connection between Azeri and foreign women. During the last three years, the International Women’s Club has completed activities amounting to 100 thousand dollars."

At the end of the meeting, President Aliyev said to the ambassador that the facts about positive change in Azerbaijan connected with the cooperation of the last four years showed the development of cooperation and friendship between our countries.

On 21st August 1997 a newly appointed Roger Thomas, ambassador Plenipotentiary and Extraordinary of Great Britain to Azerbaijan presented his
credentials to President Heydar Aliyev.

On 15th October 1997, President Aliyev received Francis Richards, chief counsellor on CIS and Eastern European countries at the Foreign and Commonwealth Office. During their meeting, President Aliyev pointed out that our country seeks close relations with Great Britain and would do its best towards achieving this.

During their meeting, speaking about the progress in Azerbaijan within the last few years, Mr. Francis Richards said that everything had changed in Azerbaijan, that the economy was developing fast, that investment was flowing into the country and that cooperation between our countries was developing and strengthening. He expressed satisfaction with the work of Britain companies including the activities of the "BP" company in Azerbaijan and expressed his desire to have political cooperation between our countries as substantial as the economic cooperation.

Speaking about the position of Great Britain in the settlement of the Nagorno-Karabakh conflict, Mr. Richards said that his country supported with all possible means the activity of the co-chairmen of the OSCE's Minsk Group, and he said repeatedly that the peaceful settlement of this conflict should be based on the three principles adopted at the Lisbon summit and the principle of the protection of the territorial integrity of Azerbaijan.

President Aliyev pointed out that taking into account the active position of the new government of Great Britain in foreign policy, the cooperation between our countries could be more effective. The visit of Mr. Richards was evidence for that, he said. "This mission shows the necessity for the development of cooperation in all fields with the new government of Great Britain," he said.

President Aliyev added: "Azerbaijan wants that. Irrespective of who is in power in Great Britain, Azerbaijan treats this country with respect and builds its relations with this country on these principles."

At the end of the meeting, President Aliyev spoke about the cooperation of the oil companies of 12 countries, and the cooperation with those European countries with which Azerbaijan had established close relations. The president said that Great Britain should not give its place to somebody else because the exploration of the Azerbaijani sector of the Caspian Sea had begun with British and American companies. Azerbaijan encourages that and wants it to go on, he said.

On 12th November 1997, the Azerbaijani President met the Minister of State of Foreign and Commonwealth Office, Mr. Derek Fatchett in the Presidential palace. Derek Fatchett came to Baku with the aim of participating in the celebration of the first oil production from the fields developed by foreign companies.

Expressing his gratitude for accepting the invitation to the celebration of the first oil produced under the "Contract of the Century", held in Baku, President Aliyev said that earlier that day they had flown to the Chirag-I platform and became eyewitnesses of the fruits of the joint work.

Speaking about the celebration, Mr. Derek Fatchett said: "Today is important
to me for two reasons. Firstly, this is my first visit to Azerbaijan, and secondly, this was the first offshore structure I had visited in my life. Therefore I will remember it for the rest of my life."

Afterwards, Mr. Derek Fatchett handed over letters from her Majesty the Queen and the Prime Minister and said that the Prime Minister expressed his regret that he was unable to meet the president on his last visit to Great Britain. "In this letter, the Prime Minister invites you on an official visit to our country," he said.

President Aliyev thanked Mr. Derek Fatchett and said that he accepted the invitation of Prime Minister Tony Blair. Then the Azerbaijani President said: "We are supporters of the development of economic relations between our countries and we have oil fields we have not used so far. We will try to create conditions for the share work of British companies in other oil fields in Azerbaijan. We have good relations between our countries and I value this highly. But we should develop it even more. We are ready for that and will do our best."

After the meeting, the Minister of State at the Foreign and Commonwealth Office, Derek Fatchett, presented President Aliyev with a painting by a minor 19th century English master.

On 19th November, the Azerbaijani President met the former British Foreign Secretary, and member of the Board of Directors of the "Ramco" company, Malcolm Rifkind.

During their meeting, Mr. Rifkind stated that this meeting coincided with a significant time for Azerbaijan people. The celebration of the last week was our most successful our work for the last few years, he said. "The whole world is aware of the potential of Azerbaijan but the leadership is required to take advantage of this," he said. "I am glad that the world now speaks positively about Azerbaijan."

Mr. Rifkind said that programmes on Azerbaijan had been broadcast for two days on television in Great Britain. This was very important since not only politicians but also other people in Great Britain should know about Azerbaijan, he said.

Mr. Rifkind stated that although he was not in power, he knew for sure that the government of Great Britain intended to develop relations in all spheres in Azerbaijan.

President Aliyev agreed and said that the cooperation had borne fruit. "When we signed the contract three years ago, most people did not believe this," he said. "But the joint work of a number of companies, including BP, has borne fruits and on 12th November we celebrated this event in Azerbaijan."

President Aliyev remembered that as a member of the government, Mr. Rifkind had contributed to the intergovernmental relations of our countries and that the most remarkable evidence for this was the wide activity of BP in Azerbaijan.

President Aliyev said: "... Now you have a lot of opportunities and you can
familiarise yourself with Baku more closely. Therefore I appreciate your visit to Azerbaijan. We are ready for cooperation with you under the new conditions."

Mr. Rifkind pointed out that now he had more opportunity to come and stay in Azerbaijan. Speaking about representing Ramco, he said that this company was ready to present a new scope for Azerbaijan. This is connected not only with oil but also with other fields, he said.

On 1st December 1997, President Aliyev received Mr. Richard Page, representing the parliamentary coalition of Conservatives and Unionists of Great Britain, and representative of the European Democratic Union.

On 12th March 1998, President Heydar Aliyev received a former British Foreign Secretary and member of the "Ramco" Board of Directors in the presidential palace as a representative of "Ramco". A discussion was held on relations between the "Ramco" company and Azerbaijan.

On 8th May, President Aliyev met the executive directors of "Monument Oil and Gas" Tim Eggar (the former Minister of Energy and Industry) and Terry Adams (the first president of the AIOC) in the presidential palace. It should be pointed out that the purpose of the visit of Tim Eggar and Terry Adams was to congratulate President Aliyev on the occasion of his 75th birthday.

During their meeting, President Aliyev said: "I am glad to see my friends Terry Adams and Tim Eggar here today. Many companies working in Azerbaijan want to congratulate me but I do not have the possibility for that. But since our relations carry a special character. I am receiving you today. I am grateful to you for your coming."

Tim Eggar said he was honoured by the reception of the president and handed him a small birthday gift. Then he gave information about the selection of Terry Adams as Director of "Monument Oil and Gas".

Then, congratulating the president on the occasion of his birthday, Terry Adams said: "Mr. President, for four years you have been a teacher to me. I wish you and your family all the best."

Mentioning the special nature of his friendship with Terry Adams and Tim Eggar, and remembering the signing of the first oil contract in September 1994, the president said that taking such a step was not easy. There were countries and people standing against this. They impeded the process, he said. At that time, some companies signing the contract experienced anxiety. With the exception of Azerbaijan, other Caspian countries wanted to change the status of the Caspian Sea, he said.

Then the president said: "I remember that I met the British Foreign Secretary Affairs of Great Britain, Douglas Hurd, in Istanbul two months after signing the first contract. He was very concerned. I told him that we had signed the contract and that now we were going to implement it. He said that some countries did not recognise the contract and would impede us. I replied that we should not care about their recognition and we should eliminate their obstruction."
Although he was the Foreign Secretary of Great Britain, I set him at rest. I told him not to worry, that I had taken the risk and that I thought it would have results. Now you can see the evidence for this. Now, Russia, Kazakhstan and Turkmenistan have recognised the sector divisions of the Caspian Sea. Only Iran has not done so far. But I hope it will recognise them, too. That is why the project we started and named the "Contract of the Century" was the most risky step.

At the end of the meeting, President Aliyev said: "Our cooperation started in a complicated period. But Terry Adams has done a lot as president of the International Operating Company and has become one of the most popular people in Azerbaijan. Mr. Eggar has also visited Azerbaijan repeatedly and encouraged our work. Therefore you are both people who have laid the foundation of this work, and my attitude to you is connected with this."

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*On 10th May, Tim Eggar, the former Minister of Energy and Director of "Monument Oil and Gas", held a speech during a reception held on the occasion of Heydar Aliyev's 75th birthday:*

Mr. President!

On behalf of myself and Terry Adams, I am pleased to participate at the celebration of your birthday. Last time I participated at a reception in Tyumen I was the guest of Mr. Shafranik and the only non-Russian speaker.

Mr. President, I remember very well the reception on the occasion of signing of the first contract, known as the "Contract of the Century". You placed me next to you, to your left. I sat to the right of the Prime Minister. So I listened to the talks on my right and my left. I remember that most of the speeches were devoted to your decisiveness in the signing of the contract.

Today, celebrating your 75th birthday, we are also celebrating the 80th year of Azerbaijan's first independence. I would like to raise this glass to you. You are the father of your people: to your success! You are the founder of the new Azerbaijan and a great leader. I am sure that if Azerbaijan had a leader like you 80 years ago, Azerbaijan would have been a progressive country and the people of Azerbaijan have had a different history.

Mr. President, today I would like to raise this glass to you, to your people, and to everything you have done for your country!
On 8th June 1998, an official mission headed by the Minister of Science, Energy and Industry, John Battle, came to Azerbaijan with the purpose of participating in the international "Caspian Oil and Gas Show". On the same day, President Aliyev received the mission at the presidential palace.

Speaking about the importance of this meeting, President Aliyev appreciated the work of the Minister of Energy of and along with him Tim Eggar, who had worked in the this position a while ago.

The president said: "Although you belong to different parties, you do not have different policies. This is an edifying example. In other words, in the political struggle, the opposition and ruling parities are not real enemies. The party which Tim Eggar represents, has been in power for a long period. After the victory of the Labour Party, you have remained in parliament. I tell you this because in Azerbaijan there is no culture of an opposition-ruling party relationship. No doubt the time will come for this. Our meeting with you is very instructive in this respect and I am glad for this."

At their meeting, John Battle remembered that he was participating in the "Caspian Oil and Gas Show" for the second time as a minister. And he was satisfied with these missions. He said that Mr. Tim Eggar was his friend and no longer participated in the activities of parliament; he represented private business in Azerbaijan. Expressing his satisfaction at the good organisation of the exhibition and the representation of the many British companies here, John Battle said that this companies wanted to show their ability to work here.

Speaking about the experience of British companies in offshore oil production, the British minister said that today Azerbaijan was turning out to be one of the biggest centres in the world. "Last year I returned home from the "Caspian Oil and Gas Show" with an optimistic feeling. This time also I have optimism. I am glad that you have involved British companies in oil production."

John Battle said that the mission of President Aliyev to Great Britain was awaited impatiently. "We would very much like you to visit Scotland and Aberdeen, which is very like Baku," he said.

The president thanked John Battle for his warm words about Azerbaijan and said that he was glad that 90 oil companies from Great Britain were cooperating with our country. "This is evidence that Azerbaijan pays importance to cooperation with Great Britain," he said. "Both sides should develop these relations and there are any conditions for this. Tonight we are signing another contract with a British company. The "Monument" company has prepared a contract. I know that BP also has proposals and we are considering them. Great Britain will witness the development of activity of British companies in Azerbaijan."

The president of Azerbaijan thanked John Battle for the invitation to Great Britain from Prime Minister Tony Blair. This mission will contribute to the development of the relations between our countries, he said.

At the end of the meeting, President Aliyev said: "I will try to visit Scotland during my mission. Scotland is a beautiful country. In 1960 I was in Edinburgh"
for a short mission. Your proposal is very interesting."

On 2nd June in Baku, at the opening reception of the international exhibition organised by Spearhead Exhibitions Ltd of Great Britain and the Azerbaijan Chamber of Commerce and Industry, the British Energy Minister of Science, Energy and Industry John Battle delivered a speech.

Speech of the Minister of Science, Energy and Industry of Great Britain, John Battle

- Your Excellency Mr. President!

I should tell you that this is an event of international importance. It is an international exhibition. I am glad that I have the chance to participate in my second "Caspian Oil and Gas Show".

When I came to Baku as a minister a year ago, I was impressed by the developed oil and gas industry. Today I am glad that Azerbaijan has managed to get even more results.

Mr. President, let me congratulate you on the 80th anniversary of Azerbaijan's first independence and your own 75th birthday. I wish you further success. I would not be mistaken if I said that the Caspian region and natural resources will make Baku a centre for the supply of oil and gas in the future.

We are now at the centre of new results in Baku. Azerbaijan has gained great results within a short period under the leadership of President Aliyev, progress has been achieved in energy resources, and the country does great work in the field of oil and gas to provide development based on the old traditions.

Mr. President, you have provided political and economic stability by strengthening diplomatic relations at an international level, you have got investment from foreign countries to develop the resources of Azerbaijan.

The most important thing is that you have assembled here various international technical experts from the various countries. The Joint activities of the various companies and countries in Azerbaijan speaks volumes about the broad outlook of Azerbaijan and shows the historical traditions of Baku.

Last year I promised myself that next year would be an active year for me. If we take into account the results of this year we can see that the beginning of the first oil production on the Chirag offshore structure, and the activity of the Sangachal terminal are important events in the history of Azerbaijan.

I am glad that Great Britain has also contributed to this success. Environmental protection, experience in industrial development and the creation of an infrastructure under the leadership of a council will assist Azerbaijan in the development of energy production.

Mr. President, I am sure that British companies want to participate in the agreements in favour of both countries. I am glad that more than 90 British companies have had a chance to show themselves. Oil companies have begun great projects here.
As an example are the AIOC and other companies. Small and big companies participate in the development of the oil industry. I believe that the attraction of British companies in project implementation, the application of their experience in environmental protection, and the safety gained from experience in the North Sea can contribute to the development here. I am pleased to mention that experienced companies in this field demonstrate their results at this exhibition. I am glad that "Monument" has gained great results in this field.

Mr. President, I hope that you will join me in congratulating Monument's director, Tim Eggar, who is also the founder of the "Angl-Azeri Society" on this success. I'd like to say that this Society plays a great role in strengthening friendship between our countries.

Mr. President, during the oil meeting held last year, the Minister of State at the Foreign and Commonwealth Office invited you to Great Britain. I hope that the date of this visit has been determined already as Prime Minister Tony Blair awaits you in London in July with impatience. I am sure that your mission to our country will strengthen relations between our countries.

Indeed, Baku is a city that deserves to accumulate all nations. Azerbaijan is striding towards progress in the 21st century. I wish this exhibition great success and I hope for another holiday like this one in the future. Thank you very much!

On 18th June 1998 in the presidential palace, the president of Azerbaijan, Heydar Aliyev, received the former British of Foreign Secretary and member of the Board of Directors of "Ramco", Malcolm Rifkind.

On this, his third visit to Azerbaijan, Mr. Rifkind said that he had participated in a conference devoted to the Azerbaijani Democratic Republic in London two weeks ago. Broad information was disseminated to the British population at this conference, organised by the International Relations Institute.

Malcolm Rifkind particularly pointed out that every time he came here he witnessed economic restoration in Azerbaijan and he was pleased that there was contribution from British companies as well.

Agreeing with the thoughts of Mr. Rifkind, the president added that the flow of foreign investment to our republic including investing of Great Britain companies to Azerbaijan promote economic restoration of our Republic. The president said that he was aware of the conference on 80-th anniversary of Azerbaijan Democratic Republic held in London, he appreciated this and pointed the importance of holding such events in the course of developing relations and familiarising Great Britain with Azerbaijan.

Mr. Rifkind gave information that the visit of President Aliyev in July is awaited in Great Britain with enthusiasm. He said: "I know that the Queen and Prime Minister are waiting for your visit impatiently."

Mr. Rifkind pointed out some important events during the last few months. It
particularly referred to the progress achieved in Northern Ireland dispute which had caused troubles for many years. The agreements gained in this issue satisfied the both sides. Upon his opinion, this experience may be applied in other countries. Once peace comes to Nagorno-Karabakh too and people can live there safe.

Addressing Mr. Rifkind, President Aliyev remembered a few meetings on the peaceful settlement of the Armenian-Azerbaijan conflict with him, as he was a Foreign Secretary. We try to apply every experience of other countries in settling this conflict. The results you achieved in the settlement of the Northern Ireland problem are worthy of appreciation. We are ready to apply this experience in Nagorno-Karabakh conflict resolution.

On June 19 President Aliyev participated in the official reception given in the Embassy of Great Britain on the occasion of the National Holiday of the birthday of Queen Elizabeth II.

In his speech during the reception. Ambassador Roger Thomas pointed that independence of Britain is not celebrated in separate day since Britain was always independent. Being captured in 1066, our society has been developing for centuries and today it has come to the present form of democracy. Ambassador pointed that the real day of Queen's birthday is in April, but since in some countries the weather is better in June, the Queen allowed celebrating this day in this month. This fact speaks for pragmatism of our people.

Speaking about the progress achieved for last year in Azerbaijan. Mr. Roger Tomas pointed particularly the production of first oil in Chirag-I structure and said he was proud of British companies' participation in this. Among the success achieved in Britain, he mentioned the agreement about Northern Ireland. Ambassador mentioned that he hopes that Azerbaijan will be inspired by this example and will keep on your attempts in peaceful settlement of the conflict.

Speaking about the development of relations between two countries. Ambassador pointed the role of the stability in Azerbaijan in this, and added that the future visit of the President Aliyev to Great Britain will contribute to the bilateral cooperation

**Speech of the President of Azerbaijan Aliyev**

- Dear Mr. Ambassador!

Dear ladies and gentlemen!

Our warmest congratulations on the National Holiday of Great Britain - Queen's birthday, we wish you peace, prosperity and progress.

In the modern epoch Great Britain is one of the leading countries in the international community and participate actively in the world process. We appreciate highly the policy and activity of Great Britain in the course of peace building in the world.

The relationship with Great Britain comes after Azerbaijan got its independence. And it should be noticed it developed progressively. In February 1994 important documents were signed as a result of talks and meetings during my
visit to Great Britain. A lot of work has been done on the basis of these agreements to develop relationship between our countries and we have gained positive results.

Our cooperation in the economic field should be remarked especially. In the shared work of the oil production in Azerbaijan's sector of the Caspian Sea, along with the foreign companies British companies take a special place. On November 12 last year, cooperation of BP and Azerbaijan played a great role in the first oil production in Chirag-I.

I am pleased that our cooperation progresses not only in oil field but in other fields too. We appreciate this highly.

The relationship between Azerbaijan and Great Britain in the directions of strengthening state independence, restoration of the territorial integrity, peaceful settlement of the Armenia-Azerbaijan conflict progress successfully.

We are glad for the success achieved in the settlement of the Northern Ireland conflict and we congratulate you on it. Doubtless is that we will try to apply your experience in the settlement of the Azerbaijan-Armenian conflict. But we think that as a member of the Security Council of United Nations Great Britain has even more possibilities in respect of protecting Azerbaijan rights and restoration of the territorial integrity of our country. Application of these tools would be significant for our country.

The progress of our relationship in the field of science, culture, and other fields between Azerbaijan and Great Britain please us very much.

A new perspective of our cooperation is opening and I hope that we will have fruitful talks and meeting, agreements during my visit to Great Britain next month.

Establishing an equal relationship with various countries as an independence state, Azerbaijan pays special importance to its relations with Great Britain. The embassy of Great Britain in Azerbaijan also contributes to the development of our relationship by its activity.

I wish success to all citizens of Great Britain on behalf of Azerbaijan people. I am sure our relations will keep on progressing. Our warmest congratulations on your holiday!

From 19th-24th July 1988, the Azerbaijan President was in Great Britain with the official visit upon the invitation of Prime Minister Tony Blair. The visit will be highlighted in the "Historical visit (19th-24th July 1998)" section of this book.

After the mission, on August 25 President Aliyev issued a decree on "Decree on the developing the cooperation relations between Azerbaijan and United Kingdom of Great Britain and Northern Ireland".
The visit of the President of Azerbaijan to United Kingdom of Great Britain and Northern Ireland on July 19 founded a qualitatively new stage in the development of bilateral relations between two the countries. The increase of interest of Great Britain in Azerbaijan confirmed during the high level meetings and talks with the state and government leaders of Great Britain: the Queen, Prime Minister, Minister of Foreign Affairs, state secretary on defence and international development affairs, energy minister, members of Parliament, representatives of the international organisations.

On July 21, 1998, an important document - the joint Memorandum on Friendship Relations and Cooperation between the President of Azerbaijan and Prime Minister of United Kingdom of Great Britain and Northern Ireland - was signed. This document is based on the political declaration of friendship and cooperation between Azerbaijan and United Kingdom of Great Britain and Northern Ireland signed during the visit of the President of Azerbaijan to Britain in February 1994 and elevates the relations between two countries to the qualitatively new stage.

The importance of the development of the cooperation and strategic partnership between Azerbaijan and Great Britain based on strengthening bilateral relations in the fields of trade, policy security and economy emphasised during the meeting between the leaders of the countries on July 21, 1998. Support of democratic principles and human rights observance, strengthening of Azerbaijan's independence, achievements of stability and economic progress, political, economic and democratic development were confirmed from the side of Great Britain.

The attempts of Great Britain in supporting Azerbaijan in European structures including the admission of Azerbaijan as a full member of the Europe Council and World Trade Organisation were encouraged.

This demonstrated interest by Azerbaijan in the integration into Europe was positively assessed. The importance of broadening the cooperation within the framework of the "Partnership for Peace" programme of NATO and assistance of Great Britain to Azerbaijan in this field were confirmed.

By pointing out the impomance of keeping the priority of the peaceful settlement of the Nagorno-Karabakh conflict and cease fire achieved in 1994, the activity of the co-chairmen of the OSCE Mink group - USA, Russia, and France - were approved. The stand of Great Britain on the priority of the three basic principles reflected in the declaration of the executive chairmen at the summit of the OSCE in Budapest and Lisbon was confirmed.

The TRASECA project improving communication and trade relations all over the Caspian region was supported. The importance of the international cooperation in the activity on the laying of a Europe-Asia transportation corridor was
pointed and all steps directed to the development of this corridor were welcomed. In this connection the importance of the international conference on restoration of the Silk Road held in Baku on September 7-8 1998 were remarked.

The participation of British companies in the exploration, and share production of Caspian energy resources, creation of the official dialogue on energy policy and commercial affairs between countries were highly appreciated.

During the visit three big oil contracts were concluded about the exploration, exploitation and share production on the following offshore structures in the Azerbaijan sector of Caspian Sea - "Araz", "Alov", "Sharg", "Inam",- as well as "Murdakhanli", "Jeferli" and "Zerdab" prospective onshore structures. As pointed these out, contracts will give another strong impulse to the broadening cooperation between Azerbaijan and Great Britain. These new three contracts about oil production sharing concluded with such companies as BP, "Monument Oil and Gas" and Ramco will strengthen the flow of investment to Azerbaijan and development of economic relations between countries.

Another economic document not related to oil was signed. The memorandum on the intentions about construction of the important hotel complex on the Baku seafront boulevard were signed between Baku Executive Authority and "Morrison Construction Group ".

Generally, the signed agreements will serve the strengthening of state independence of Azerbaijan, national security provision, and socio-economic progress.

With the purpose of the all-round development of cooperation between Azerbaijan and Great Britain and provision of consistent implementation of the reforms based on the principles of democracy and market economy, I make the following resolution:

1. Provided development of partnership relations between organs between the Azerbaijani Republic and Great Britain and implementation of all signed bilateral documents by involving the Ministry of the Foreign Affairs of Azerbaijan, National Bank of Azerbaijan and other relevant, to continue dialogue with the relevant Britain structures with the aim of expanding relations in the field of policy, economy, culture;

2. to recommend that the Milli Mejlis of Azerbaijan develop relations between the parliaments of Azerbaijan and Great Britain:

3. With the purpose of peaceful settlement of Armenian-Azerbaijan conflict, Ministry of Foreign Affairs of Azerbaijan should intensify negotiation with the representatives of USA, Russia, and France of the Minsk Group on the basis of the results of the summits during the visit to Great Britain;

4. The Ministry of Foreign Affairs of Azerbaijan, Ministry of Defence and other relevant ministries and departments should submit proposals on cooperation between Azerbaijan and Great Britain in the field of security, weapon control, defence as well as with NATO and within the framework of the "Partnership for Peace" programmes of NATO.
5. AIOC should take the relevant measures on approving and implementing the three concluded contracts about the exploration, exploitation and production sharing on the "Araz", "Alov", "Sharg", "Inam" prospective offshore structures in the Azerbaijan sector of Caspian Sea as well as "Murdakhanli", "Jeferli" and "Zerdab" prospective onshore structures with the BP, Monument Oil & Gas, Ramco, AMOCO of USA. Russian Central Fuel, TPAO of Turkey, and Statoil of Norway.

6. Baku Executive Authority should take appropriate measures to speed the memorandum on the intentions about construction of the important hotel complex on the Baku seafront boulevard signed between Baku Executive Authority and Morrison Construction Group company;

7. Assign International Bank of Azerbaijan to direct the funds/credits receiving from European Bank of Reconstruction and Development to the development of small and medium size enterprises:

8. Ministry of Foreign Affairs of Azerbaijan and other relevant state organs should agree the documents package on the bilateral relations development submitted to Azerbaijan by the Know How Fund of the International Development Department of United Kingdom of Great Britain and Northern Ireland and provide its signing in future;

9. This resolution is effective from the date of signing.

Heydar Aliyev President
of Azerbaijan Baku,
August 25, 1998

The ad hoc representative of the Prime Minister of Great Britain, Brian Fall, represented at the international conference devoted to the restoration of the Silk Road held on the initiative of the President of Azerbaijan within the framework of TRASEKA delivered a speech.

In connection with the conference the Prime Minister of Great Britain Tony Blair sent a letter of congratulation to the President of Azerbaijan.

On October 27 Azerbaijan President Aliyev received Deputy Minister of State at the Foreign and Commonwealth Office, John Keiry in the President Palace.

President Aliyev appreciated the meeting and the signed documents during the visit on July 20-24 in Britain and speaking about his satisfaction with the meeting of the commitments of the both countries he said: "I am pleased that Prime Minister Tony Blair and the Secretary of State for Foreign and Commonwealth Affairs, Robin Cook realise their promises to me."

Thanking him for the cordial welcoming. Mr. Kerry said: "That I am in Azerbaijan with the official visit is a result of your official mission to Great Britain in July and memorandum signed with the Prime Minister Tony Blair on July 21 in London."
The Deputy Minister said: "Mr. President, after your meeting with Mr. Blair in London, great changes took place in Azerbaijan and Great Britain. You have been repeatedly elected for the position of President. I'd like to convey you the congratulations of Queen Elizabeth II and wish you good luck. The Queen and Great Britain hope that during your five years of work as president the relations between our countries will be even closer and will cover other fields too. We believe that big changes will touch all fields in your country."

Addressing President Aliyev, Mr. Kerry said: "I am interested in your thoughts on how will the interest of your country and the friends in Great Britain be reflected in your five-year activity? I'd like to know generally your attitude to general world problems, future economic development of your country, world stability. I should remark that UK supports the independence of your country from the first day. Great Britain seeks to develop bilateral and multilateral relations with Azerbaijan."

President Aliyev gave broad information on the democratic presidential election, strengthening state independence, legal, democratic state building process, success in economy, negotiations on peaceful settlement of Armenian-Azerbaijan conflict within the framework of the Minsk Group of the OSCE.

President Aliyev agreed that Great Britain always confirmed their stand on the territorial integrity of Azerbaijan and said: "I hope that after this Great Britain will keep on assisting in the settlement of the conflict as a member of the OSCE."

Speaking about the importance of a close relationship between Azerbaijan and Great Britain and a good legal basis achieved due to the memorandum signed in London on July with Tony Blair, President Aliyev said that we are glad to accept all initiatives toward developing cooperation.

Thanking President Aliyev for the detail information, Mr. Ken'ny said: "Mr. President, the most important fact is that you have a strong desire to go ahead. I was at diplomatic service in Moscow at my young age. I should say that great changes and progress took place in Azerbaijan. I see that you are proud of building democratic society."

Speaking about the expanding of United Kingdom Embassy in Azerbaijan, Mr. Kerry said: "I hope that relations between our countries will not be limited to only bilateral relations. We will cooperate in the fields interested all over the world such as security and environmental protection within the United Nation Organisation. The United Kingdom encourages independence and sovereignty of Azerbaijan. We will support the stability in Azerbaijan within the bounds of our ability."

Mr. Kerry evaluated highly the work done in the Azerbaijani economy towards integration to the world economy, and said: "Mr. President, I have read your inauguration speech carefully and I like your idea concerning the importance of eliminating all obstacles to foreign investment in Azerbaijan."

At the end of the meeting, Mr. Kerry expressed his satisfaction with the care towards British companies working in Azerbaijan. According to him, attention should be brought to the close relations between Azerbaijan and influential world financial structures in London.

On 19th-24th July, the president of the Republic of Azerbaijan, Heydar Aliyev, made an official visit to Great Britain on the invitation of Tony Blair, the Prime Minister of the United Kingdom of Great Britain and Northern Ireland. Prior to his departure to London, President Heydar Aliyev shared his opinion on the Azerbaijan-UK relationship as well as on his forthcoming visit while answering the questions of mass media representatives at the airport and said:

"... Good relations have been established between our states. They were founded during my first visit to Great Britain in February 1994. At that time we signed a Joint declaration on friendship and co-operation and a great number of agreements and memorandums. Thus, there is a necessary and sufficient legal base for close co-operation between our states and governments at all levels. Based on this, co-operation has been developed during recent years and all the achievements are obvious.

A great number of British companies are working in Azerbaijan. And Great Britain is making investments in Azerbaijan through these companies. And now, there is no doubt that this visit is important for the enhancement and development of this relationship. Mr. Tony Blair, the Prime Minister, has invited me. I accepted his invitation and today I am going there. We shall have a number of meetings and conversations and I think they will be successful."

On 19th July, Lord Strabolgi, an official representative of Her Majesty the Queen, Sir Michael Pike, the special representative of the State Secretary for Foreign and Commonwealth Affairs, Mr. Mahmud Mammad-Guliyev, the Ambassador of Azerbaijan to Great Britain, and other officials welcomed the president of the Republic of Azerbaijan, who arrived in the country at the invitation of Tony Blair, the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, at London's Heathrow Airport.

There was a guard in honour for the president of our state at the airport, decorated with Azerbaijani and British national flags and an orchestra performed the national anthem of the Independent Republic of Azerbaijan.

During his official visit to Great Britain, on 20th July, the president of the Republic of Azerbaijan Heydar Aliyev met high ranking officials of the country's leading mass media representatives at Claridge's Hotel.

Mr. Richard Beeston, deputy foreign editor of The Times, Mr. Ian Burcie, diplomatic editor of the Guardian, Mr. Tom Burcie, London editor of the International Herald Tribune, Mr. Leonard Doyle, foreign editor of the Observer, Mr. Robert Fox, foreign editor of the European, Mr. Charles Hoff, department chief of CNN, Mr. Christopher Lockwood, diplomatic editor, and Mr. Simon Scott-Plumber, chief reporter, both from the Daily Telegraph, a Radio 4 announcer, Mr. Alfred Rollington, director of the Jane's Information Group, Mr. Sean Smiley, European editor of the Economist, Mr. Richard Tate, foreign editor of
ITN. Mr. Stefan Wagstyl, foreign affairs reporter, and Mr. Robert Corzine, oil and gas reporter, both at the Financial Times, Mr. Charles Hay, a representative from the Ministry of Foreign Affairs Information Department and others participated in the meeting.

Mahmud Mammad-Guliyev, Ambassador Extraordinary and Plenipotentiary of Azerbaijan to Great Britain opened the meeting with the following words:

- Dear Ladies and Gentlemen! As the Ambassador of the Republic of Azerbaijan to Great Britain, I express my pleasure at seeing you all here today. Taking this opportunity, I express my thanks to the President of the Republic of Azerbaijan, His Excellency Heydar Aliyev. We thank Mr. President for giving his consent to meet today with mass media representatives of the United Kingdom.

I am pleased to mention that the first meeting of the honourable President to the United Kingdom is specifically with mass media representatives. This shows once again that President Aliyev attaches importance to intercourse with the mass media. Let me welcome all of you here and wish you an interesting conversation with the President of the Republic of Azerbaijan, Heydar Aliyev.

If you don't mind I would suggest we conduct today's meeting in the following way: The president will give a short statement for about 10 minutes and afterwards you will be able to ask him questions. Thank you very much!

**Statement of the President of the Republic of Azerbaijan**

- Dear Ladies and Gentlemen! I would like to welcome you all and I am pleased to meet you here this morning.

As you already know, I arrived in London on an official visit yesterday evening and today and over the next few days I will be holding a number of meetings here.

The purpose of my visit is to promote existing relations between Azerbaijan and the United Kingdom. As you know, these relations were established in late 1991, after Azerbaijan gained its independence. Diplomatic relations between the United Kingdom and Azerbaijan were established in March 1992. In late 1993, the embassy of the United Kingdom opened in Baku. And in January 1994, an embassy of Azerbaijan was founded in London.

In February 1994 Me, the President of Azerbaijan, came to the United Kingdom on my first official visit. A great number of British-Azerbaijani intergovernmental documents were signed during the visit. The most important and the most fundamental of these documents was the mutual declaration of friendship and co-operation between Great Britain and Azerbaijan. The declaration signed by the Prime Minister of the United Kingdom and the President of Azerbaijan has become the first legal base for relations between our states. "We also signed a number of agreements in February 1994.

Afterwards, various Azerbaijani-United Kingdom agreements and treaties were signed both in London and in Baku. A sufficient legal base was established
for close co-operation between our states and governments.

It can be said that co-operation in all spheres of activity between our states has been established and advanced and that our economic relations are being rapidly developed. A number of large-scale UK companies conduct joint activities in Azerbaijan. First of all this concerns the oil sector and other allied industrial sectors. At the same we also co-operate successfully in the spheres of telecommunication, infrastructure and others.

As you know, Azerbaijan is a country with high strategic potential, having a geographically advantageous position in the Caucasus. Since Azerbaijan gained its independence, the process of state formation in democratic, legal and global aspects has got underway in our country. A great job has been conducted in this regard. In 1995, the first Constitution of Independent Azerbaijan was adopted and in November 1995 the first Parliament of Azerbaijan was elected based on the multi-party system and democratic principles.

Democratic reforms are being implemented in all spheres of Azerbaijan's life and this process covers political, economic and social areas. Azerbaijan has chosen the market economy as a strategic policy of its economics and is making headway in this direction. A great number of economic reforms have already been conducted. The privatisation programme is proceeding smoothly. There Reforms have been conducted in the agrarian sector and we have adopted a law on granting land to private owners, i.e. to farmers. We are introducing this into practice and obtaining positive results.

The reforms conducted have prevented an economic downturn of the previous years and recently progress has been observed in economics. There is no doubt that this has contributed somewhat to the improvement of citizens' welfare.

It is well known that there is a big and serious problem in Azerbaijan. In 1988, when Azerbaijan was part of the Soviet Union, Armenia started its aggression against Azerbaijan. That year, Armenia started its aggression with the purpose of joining Nagorno-Karabakh, a region of Azerbaijan, to its territory. Later, for certain reasons, that aggression expanded and eventually turned into a war. As a result of the war, 20% of Azerbaijan's territory has been occupied by Armenian armed forces. Over one million Azerbaijanis were forced to leave their homes in the occupied territories. At present they live as refugees and IDPs in trying conditions, mainly in camps in different regions of Azerbaijan.

In May 1994. we declared a cease-fire and stopped the war. A cease-fire agreement was signed between Armenia and Azerbaijan and now we are working on settling the conflict amicably. A Minsk Group established by the CSCE in 1992 is engaged in this issue. The OSCE reviewed the issue at the Budapest Summit in 1994 and at the Lisbon Summit in 1996. The principles of reconciling the conflict amicably were determined during the Lisbon Summit in December 1996. These are the following: firstly, recognition of the territorial integrity of Azerbaijan and Armenia; secondly, the granting of the status of autonomy to Nagorno-Karabakh as part of Azerbaijan; and thirdly, affording the safety of both
Azerbaijanis and Armenians.

In 1997, the co-chairmen of the Minsk Group, Russia, the United States of America and France prepared and put forward proposals based on these principles. Both Azerbaijan and Armenia were submitted these proposals by the Minsk Group chairmen last year as well as in September 1997. We accepted these proposals as the basis for reconciling the conflict and conducting peace negotiations. Meanwhile, Armenia only accepted these proposals last year. Afterwards there was no response concerning their attitude to the proposals.

Thus, there has been a cease-fire for over four years. Nevertheless, peace has not been reached. Despite all the attempts towards Azerbaijan, we uphold the peaceful resolution of the issue and we will continue our efforts in this way.

I hope that we will have a number of productive negotiations and will be able to carry out the necessary joint activities in the light of promoting and developing relations between the United Kingdom and Azerbaijan in all spheres during my stay in the United Kingdom. This is our wish and I have come to London with this in mind.

Thank you for your attention. And now, I am ready to answer your questions if necessary.

**Ambassador Mahmud Mamed-Kuliev:** Thank you, Mr. President!

And now you can approach the President of the Republic of Azerbaijan with questions that interest you.

**Christopher Lockwood:** I have in my hands a statement of the Azerbaijani Ministry of Foreign Affairs. In this statement, the Ministry of Foreign Affairs accuses Russia of trying to destabilise Azerbaijani-Armenian relations. They especially blame Russia for giving Armenia weapons and giving them S-300 rockets. I ask you to explain your thoughts in this regard.

**Heydar Aliyev:** There is no doubt that the statement of the Ministry of Foreign Affairs are my thoughts. As you know, Minister of Foreign Affairs cannot issue such a statement without the approval of the president. However, I do understand your question. You probably want to find out something in particular. It is true that this issue worries us. There are three independent states in the South Caucasus or Transcaucasia: Georgia, Azerbaijan and Armenia. All of these Republics were formerly republics of the Soviet Union.

I have informed you already that Armenia started its aggression against Azerbaijan in 1989, while still a part of the Soviet Union. I consider that the Soviet Union's leaders, its government could have prevented this conflict at that moment. However, they did not do so. And, in my opinion, this happened because of the different attitudes towards Armenia and Azerbaijan even at that time, while still part of the Soviet Union.

After the collapse of the USSR, the Soviet Union's military bases, i.e. Russia's military bases, were pulled out of Azerbaijan. As you know, after the collapse of the Soviet Union, Russia, as the successor to the Soviet Union, became the owner of these military bases. However, there are still Russian military bases...
in Armenia and Georgia. And not only the military bases that were there before, Russian military bases in Armenia were strengthened a great deal.

In August 1997, Russia and Armenia signed a big military agreement - about military alliance - and Russian military units in Armenia gained the status of Russian military bases. We protested against this then and we are still protesting today. Because there is a war going on between Armenia and Azerbaijan.

Both Armenia and Azerbaijan are members of the CIS. Since Azerbaijan is a member of the CIS, I, the president of Azerbaijan, have declared that there should be no wars between member-states of the CIS and existing ones should be settled.

Thus Russia, as a member of the CIS, should be equal in its attitude towards Azerbaijan and Armenia. Nevertheless, Russia advances and strengthens its military bases in Armenia from year to year. The Russian Minister of Defence visited the military bases during his stay in Armenia on 15th-16th July. He delivered speeches, made statements and even declared that S-300 rockets would be brought there. We cannot remain indifferent to this issue. For the occurrence of Russian military units in Armenia gives Armenia a chance to arm themselves even better.

The armed forces of Armenia have settled in the occupied Azerbaijani territories and we know that approximately 50% of those serving in the military units of Russia in Armenia are local Armenians or ones with Armenian citizenship. This is one side of the issue.

The reverse side of the coin is that as early as the beginning of last year, i.e. in March 1997, official circles in Russia stated that the Russian Ministry of Defence illegally and secretly delivered various types of weapons and military supplies to the tune of one billion dollars to Armenian armed forces. We protested against this. I have appealed to the president of the Russian Federation, Boris Yeltsin, to conduct an investigation into the issue and to return the weapons that were given illegally and secretly to Armenia. Nevertheless, nothing has been done in this regard and moreover the Minister of Defence of Russia continues to make such statements in Armenia. This concerns us very much and strains the situation in the Caucasus in general. That is why the Ministry of Foreign Affairs of Azerbaijan has made such a statement.

Richard Beeston: There has been plenty of talk about export pipelines to be run from Azerbaijan to the Black Sea. I wonder whether the events recently taking place in Iran, especially the appearance of liberal forces in the government of Iran, and the softening of relations between Iran and the West could provide an opportunity to run the main pipeline through Iran in the future? I.e. is there a probability that the pipelines are run not west, but in an Eastern direction through the territory of Iran?

Heydar Aliyev: I want to tell you that there are plenty of petroleum reserves in the basin of the Caspian Sea. These are deposits lying inside the territory of Azerbaijan and in the Caspian Sea sector belonging to Azerbaijan, as well as on the east coast of the Caspian, where there are abundant oilfields in the sectors
belonging to Kazakhstan, Turkmenistan and Russia. I suppose that there are also oilfields in the Iranian sector of the Caspian. Thus, there can be several oil pipelines for the long-term export of oil and gas products to world markets in the future. I hope this will be so.

However, we are presently hammering at the current issue. And it lies in the fact that in September 1994 we signed a big contract with the world's largest oil companies, including the companies of the United Kingdom: "BP" and "Ramco". Based on this contract, we will predict the amount of oil to be approximately 40 millions tonnes per year between 2003 and 2005. Thus we specified the main pipeline while signing the contract. We specified that the main pipeline from Azerbaijan would go to the territory of Turkey via the territory of Georgia on the Baku-Ceyhan route. And Azerbaijan presently adheres to this route.

However, we need to provide the export of oil prior to the construction of this big pipeline. That is why another pipeline was laid from Baku to the Black Sea, at the Russian port of Novorossiysk, and it is already operating. We exported our first oil, extracted in November last year, via this pipeline. There is a pipeline being laid from Baku to the Georgian port of Supsa, also on the Black Sea. Construction of this pipeline will be completed at the beginning of 1999, and that is no doubt when it will start operating. But the capacity of these oil pipelines is not high. And secondly, they transport oil to ports on the Black Sea, from where it has to be transferred to other places by tankers. Whereas the Baku-Ceyhan oil pipeline is aimed at transporting not only Azerbaijani oil from the Caspian Sea, but also Kazakh and Turkmen oil, and it will go to Ceyhan, a port on the Mediterranean Sea. This is our main decision.

Nevertheless, at the same time if it is possible that an oil pipeline could be constructed via Iran. There is also to be another oil pipeline from Central Asia to the East. These cannot be excluded.

Ruben Halad: I would like to address to you with a general question. If I am not mistaken, last time I met you, it was on Red Square in 1986 or 1987. As a member of the Politburo you participated in reviewing a parade back then. If I am not mistaken you resigned from the Politburo in 1987. I wonder whether you thought that Azerbaijan would become an independent state at that moment?

Heydar Aliyev: Yes I did. I have always wanted Azerbaijan to gain independence. I consider that some time ago, while leader of Azerbaijan, I did quite a lot things for the future independence of Azerbaijan. As well as being a member of the Politburo in Moscow, I was also the first deputy chairman of the Council of Ministers of the Soviet Union, i.e. the first deputy Prime Minister. Working in these positions meant serving my people.

All of us, including myself, were living in a system, a state that was established without our participation. Serving my own people, my own nation was one of my main purposes while living in such a system, such a state. I was doing this every day while I was leader of Azerbaijan - over approximately 14 years. Even during my work in Moscow. One of the major reasons of my resigning from all
positions in Moscow in October 1987 was the fact that there was no just attitude towards those nations and minority groups within the Soviet Union and that bothered me. I have just told you that Moscow, Russia, did not show an equal attitude towards the nations of the South Caucasus. I have presented you with particular facts. But they are not quite new issues. We were feeling this even while part of the Soviet Union. I was a member of the Politburo and I felt that the Politburo and especially the most prominent leaders of the Soviet Union did not show an equal attitude towards every nation. All these facts strengthened my desire to see an independent Azerbaijan.

It is no accident that after my resigning and especially in 1990, before the collapse of the Soviet Union, I was saying publicly that Azerbaijan had to be independent and that the Soviet Union had to collapse. After a big Soviet army unit was brought to Baku under the instructions of Mikhail Gorbachev and committed carnage there in January 1990, I left the ranks of the Communist Party and made a statement that Azerbaijan should become independent.

Plave I given a satisfactory answer to your question? I am very pleased to meet you. I had no chance to this kind of conversation when we met in 1987, but we have had the chance just now. However, I held a big conference with foreign correspondents in a Moscow press centre in 1986. You probably were not present there, but I answered a lot of questions then.

Robert More: The same as my colleague I was among those who observed you on the Red Square at that moment. I would like to get know your opinion about the future of Russia, as a former member of the Politburo, a person conversant with the Soviet Union and an experienced statesman. In your opinion, are the roots of democratic processes in Russia buried so deeply it makes it impossible for them to turn back? What anxieties do you have with respect to Russia's future, from the viewpoint of Baku? What can you say about Russia's destiny? We would like to know in particular your opinion about Yeltsin and the next century.

Heydar Aliyev: I will answer with pleasure. As you know, I always try to avoid giving forecasts. I do not even rely on those who forecast after various analyses. For I have a big experience.

Robert More: We conduct analysis and earn money in that way.

Heydar Aliyev: Well, I will give certain answers to ensure your earnings. However, you are analysts and I am a person of practice. I have witnessed the failure of various forecasts many times.

It is difficult to express my precise opinion on Russia. I have openly told you already; Russia interests us in the same that it interests you, it even worries us. For we are directly contiguous with Russia and our neighbouring countries are full of Russian troops. Just take into consideration that Russia is presently co-operating with Iran and as I have told you before they co-operate with Armenia. We are at the centre of this trilateral alliance and thus Russia worries us very much.

The economic situation in Russia is very strained. The country is presently
suffering a crisis. The International Monetary Fund has promised to assign them 15 billion dollars. However, the credit conditions are squeezed. I don't know how they will reimburse this credit. We have over one million refugees and hard living conditions, nevertheless we would never be able to accept such credits. For I think not only of today, but also of tomorrow. Probably a person of my age could think let's have the credit if it is needed so badly and live out my days and afterwards come what may. But I think of my people's future more than of their present. Thinking of my people's future I am worried about the situation in Russia.

The communists are presently in opposition there. There are no communists in Azerbaijan, for example. I am asked why. Your ambassador knows this very well. Why? Because Heydar Aliyev was the number one communist of Azerbaijan. And since Heydar Aliyev left the Communist Party as early as in 1990, the others trust Heydar Aliyev so much that there is faith in the Communist party in Azerbaijan. I am sorry, I might be boasting about myself, but this demonstrates to you that Heydar Aliyev is trusted in Azerbaijan.

Yeltsin is also a former communist; we worked together in the Politburo. This is true, I was a member of the Politburo and he was a candidate member of the Politburo. But he was head of the Communist Party's biggest organisation - the Moscow Party Organisation. And now he has abandoned the Communists. However, the majority of Russians have not abandoned the Communists.

I recommend that you analysts draw your attention to these parallels. For example, I have established good relations with Yeltsin and the present democratic government of Russia. However, I have no relations with the Russian Communists. Some of the former Soviet republics, for example Armenia, has a powerful Communist Party, the Communist Party of Georgia is also strong and the Communist Parties of Russia co-operate with them. But there is none in Azerbaijan, thus they cannot liaise.

My opinion is that Russia has to proceed with the democratic processes and to bar the Communist Party from coming to power. That is why other leaders should stick together with Yeltsin, those who can resist the leaders of the Communist Party. There are such politicians and they have the power to climb the political ladder, but as for their political persuasions - I cannot understand them. What will happen to Russia? I cannot say. However, I believe that the path of democracy adhered to by Russia will advance. I.e. the revival of the communists and the communist system is impossible.

For example, I can tell you one thing. Our parliament adopted a law two years ago - on transferring land to private property. People have been granted the right to sell and to buy the land. And this has had good results. President Yeltsin worked on adopting such a law, but he cannot pass it through Parliament. Two days ago the issue was discussed in Parliament again. They declared that buying or selling land in Russia should not be allowed. They have many such problems. Privatisation in Russia has widely advanced with the exception of the agrarian sector. However, this still does not provide circumstances for the development of
their economics.

I know why they cannot collect taxes. We, for example, collect taxes and pay salaries to people. Despite the oil price, as you know, has decreased very much. And the greater part of our income comes from oil. That is why there has appeared certain tension in our economics this year. Nevertheless, we collect taxes and even superfluously and manage to overcome the situation.

I consider that these democratic forces would conquer at last. I not only suppose so but I also want this. If this would not happen, Russia would become an empire again. Even now there is an atmosphere of empire in Russia. That is why I always say that we need democratic Russia. We need contemporary Russia, renovated Russia. We do not want to live with Russian Empire again. For we lived for over 100 years under the Russian sway. These are the thought I wanted to convey to you without making forecasts.

Stefan Wagstyl: With your permission I would like to ask you the following question: in your opinion, what can the West do to prevent the appearance of Russia as a new empire? In particular, I would like to learn your thoughts about the West's attitude to the Caucasus. Do you think that the West should pursue a more active policy towards the Caucasus? What in your opinion should western countries do with regard to the Caucasus and Russia, and what should they not do?

Heydar Aliyev: First of all, the West should try to use all means to make sure the democratic processes in Russia develop and be staunch. Secondly, the West should expand its activities in the Caucasus and especially in the South Caucasus in the following fields: economics, the implementation of all democratic processes in these countries and supporting the independence of these countries. Presently none of the CIS countries - former republics of the Soviet Union - wants to lose its independence. Nevertheless, certain forces in Russia have created a Belarus-Russia union and they want to convert the CIS into some form of multi-national alliance by uniting with the others.

The presence of Russian military units and bases in Armenia and other CIS countries weakens their independence to a certain extent. There are also Russian military units in Georgia. However they live by their own rules. There is no doubt that this harms Georgian independence. I am sure that the people and the president of Georgian do not want Russian military units to be located there. The Russian army protects the state borders of Armenia with Iran and Turkey.

Two years ago, the Russian army repeatedly offered to protect the state borders of Azerbaijan with Iran and Turkey together with our own army. We did not allow this. I have been asked several times. But I did not agree to this. That is why they are not pleased with me. And quite to the contrary, Armenia wants this. Georgia wants to withdraw Russian troops from its border with Turkey, however they feel resistance by Russia on this subject.

Thus, these facts prove that Russia has the desire to harm to some extent independence in one way or another. That is why the independence of the
Caucasian states needs to be supported. In order to destroy its imperial policy, Russia has to be a democratic country. As you know, Azerbaijan has signed a cooperation agreement with NATO. We co-operate in this sphere and will continue doing it. Azerbaijan, Georgia, Ukraine and Moldova - four states have established a GUAM group. It is a group that to a certain extent supports our independence. Thus, we protect our independence, but we still need support.

Simon Scott-Plumber: Mr. President, you have touched on the contract signed between Azerbaijan and foreign petroleum companies. My question is concerned with the rehabilitation of the section located at the "Gunashli" deposit. We have got information on this subject. When will you start the rehabilitation of the section located at the "Gunashli" deposit and what can you say in this regard?

Heydar Aliyev: Our State Oil Company together with the "Conoco" and "Ramco" companies have conducted negotiations in order to implement this project. I hope that we will realise this when they come to an agreement on contract terms. For it is a very important subject for us.

Robert Corzine: You have told us that you avoid giving forecasts, that you do not like to forecast. Nevertheless, we would like to learn your opinion about the results of the presidential elections to be held at the end of this year.

Heydar Aliyev: The results do not depend on me, they depend on the electorate. The presidential elections of Azerbaijan will be conducted on 11th October. As president of Azerbaijan, I have provided all conditions for the democratic holding of the elections and will do so afterwards. I have been ruling Azerbaijan already for five years. One of my main goals is to create and develop democratic processes in Azerbaijan. In this respect the presidential elections have special importance.

As you know, democracy is a new notion for Azerbaijan. You have dealt with democracy for centuries. We have only been independent six years. You are aware of the situation that took place in Azerbaijan after it gained its independence. On the one hand, we are in a state of war. In spite of that, we are developing democracy to the best of our abilities and will continue doing this. I hope that the presidential elections will be a great step forward from this point of view.

Richard Beeston: You have explained the idea of the importance of the West's support for Azerbaijan. However, I would like to know, whether you have in view the creation of a military alliance between the West and Azerbaijan, while saying this?

A representative from the Independent has added to this question; you have detailed your vision of NATO-Azerbaijani co-operation, but as NATO itself has accepted and declared, the "peaceful co-operation" programme is only symbolic, i.e. the programme does not allow for the creation of a serious military alliance between NATO and these states. Are you worried that the "peaceful co-operation" programme will not provide these states with the possibility of real military support by converting to exactly such an active and efficient mechanism?

Heydar Aliyev: You know, I am generally against military unions. If I criti
exercise the military union established between Russia and Armenia, it would be impossible for me to establish one with any other state. That is why I consider that in general no such military unions should exist in the Caucasus. Some correspondents like you ask me who is our military partner. One of our neighbours is Iran. Another is Russia. Another is Armenia, and we are engaged in a war against them. Our other neighbour is Georgia. We have friendly relations with Georgia. And I reply that we do not want to war. And thus we do not want to create a military alliance with any other country. That is why I so boldly criticise the military alliance between Russia and Armenia. In this case it would be unusual for me to have a different opinion.

Thank you! I invite you all to Azerbaijan. In Azerbaijan I will have more time to communicate with you. My first meeting in London has been with you. This shows how much I respect you.

The same day, Heydar Aliyev, the President of the Republic of Azerbaijan, met George Foukls, the Deputy Secretary of State for Overseas Development of the United Kingdom. At the meeting, President Heydar Aliyev sincerely welcomed Mr. George Foukls and they started talking about the present situation in Azerbaijani-UK relations by.

President Heydar Aliyev said: "Mr. Foukls, the area you manage is very important for us, that is why my meeting with you is absolutely logical."

Mr. Foukls told the President of Azerbaijan that in general they closely deal with the issue of reforms conducted in the fields of international development, finances, preservation of the environment, legislation and social matters.

The Deputy Secretary of State, who stressed the importance of strengthening Azerbaijan-Great Britain relations, and positively appraised the successes of legal, democratic and global state formation, said that they were ready to render constructive assistance to the Republic of Azerbaijan.

Beginning with the subjects of the adoption of the first democratic constitution in 1995, the formation of a parliament represented by a number of political parties and the establishment of stability in Azerbaijan, which has chosen the way of democratic development and market reform and attaches great importance to links between its own economy and world economics. President Heydar Aliyev detailed the activities held in regard to the protection of human rights in Azerbaijan, the establishment of democratic principles and the introduction of political pluralism.

Progressing to the question of the forthcoming presidential elections in Azerbaijan, Heydar Aliyev said that the constitution of our country and the adopted Law on Elections would facilitate the absolutely democratic, free and just conducting of elections.
President Heydar Aliyev said that we attach special importance to conducting these elections on the basis of the norms of international law, in compliance with European standards and with the participation of the whole nation, i.e. to attract the masses to the democratic process.

Afterwards the President of Azerbaijan said: "You know, democracy is a new thing for Azerbaijan. Great Britain has dealt with democracy throughout the ages. But we gained our state independence only six years ago. The situation that our republic confronted right after gaining independence - the Armenia-Azerbaijan conflict - is known to you. In spite of all these difficulties we are developing and will continue to develop democracy in Azerbaijan. I hope that the forthcoming elections will be an important step in this direction. The person people vote for in such democratic conditions will become president.

Mr. Foukls, who said that the United Kingdom supported the activities implemented by President Heydar Aliyev, said that he intended to visit our republic.

President Heydar Aliyev invited Mr. George Foukls, the Deputy Secretary of State on Overseas Development of Great Britain to Azerbaijan on an official visit.

After that, Heydar Aliyev, the president of the Republic of Azerbaijan, had a meeting Mr. Phil Watts, Chairman of the Committee of Managing Directors "Shell" company in London.

Thanking the head of our state for receiving him, Mr. Watts said he considered it an honour to meet Heydar Aliyev, such a dignified politician, and stressed that they were very interested in expanding relations between Azerbaijan and the company managed by him.

Remembering with pleasure his meetings with President Heydar Aliyev in 1997 in Houston and Baku. Mr. Watts said that he considers it an honour to welcome the leader of our republic to the United Kingdom and said:

"I know that you will have a lot of meetings during your visit to the United Kingdom. Mr, President, with your permission I'd like to take the opportunity of the presence of media representatives to present you with a gift. "Shell" had its 100-year anniversary last year. Therefore a book reflecting the history of the "Shell" company has been published. I am pleased to inform you that turning the pages of our history we have come across the facts of Shell's activities in previous years in Baku, Azerbaijan."

Then Mr. Watts said: "Mr. President, let me give you one more piece of information. In 1892, our first tanker called Yubraks took oil from Azerbaijan and distributed it in various places around the world."

President Heydar Aliyev, who listened to this information with great attention, received the gift with pleasure and leafed through the book with great interest, expressing his appreciation to the Executive Director of the "Shell" company. The President of Azerbaijan, who highly rates the history of relationships with the "Shell" company and generally UK-Azerbaijan relationships, emphasised his satisfaction with the daily growth of this co-operation.
Stressing the relatively late arrival of the "Shell" company in Azerbaijan in comparison with other UK companies, Heydar Aliyev stated his confidence in the gradual strengthening of this relationship.

At the end of the meeting, Mr. Watts said: "Mr. President, we feel pride at the close, though late, participation in the development of Azerbaijan's economy and we assure you that "Shell" will expand its activities in your country every day.

Rating highly the democratic processes taking place in Azerbaijan, Mr. Watts said that they would render the required assistance on issues relating to the raising of the proficiency level of specialists and the care of talented young people in Azerbaijan.

The same day the President of the Azerbaijani Republic, Heydar Aliyev, had meetings with Mr. John Darby chief executive of “Lasmo” company of Great Britain and Mr. Renato Bertani, executive director of the Brazilian "Petrobras" company.

Thanking the head of Azerbaijan for receiving him. Mr. Derby said that he considered it an honour to meet Heydar Aliyev, such a dignified statesman, and continued:

"Mr. President, "Losma" is quite a young company; it was founded 27 years ago. It mainly specialises in the exploration and operation of oil fields. We are aware of the great opportunities that exist in Azerbaijan. The purpose of our meeting with you is to express once again that we have a serious interest in investing in Azerbaijan. "Lasmo" is represented in 13 countries. Our major work is in Great Britain and Indonesia. We also have quite wide activities in Venezuela, Algeria, Lithuania and Pakistan. With your permission, we intend to make our biggest investment among the countries we operate in. I would like to inform you that we want to start a wide operation in the Azerbaijani sector of the Caspian Sea.

Mr. Renato Bertani said that he attached a special importance to strengthening the relationship between "Petrobras" and Azerbaijan.

Stressing how pleased he was with both companies' desires to make heavy investments in Azerbaijan, President Heydar Aliyev said that after we signed the "Contract of the century" on the joint development of fields situated in the Azerbaijani sector of the Caspian Sea in September 1994, the interest of most authoritative foreign companies in our country was growing every year. We attach a great importance to this and try to facilitate all conditions for the establishment of mutually profitable relations with all the companies in our country.

Emphasising that there is a great potential in Azerbaijan for strengthening cooperation in all spheres, the Azerbaijani President said that our republic has widely opened its doors to foreign companies and that we listen attentively to the proposals of each company that may become advantageous for our people and for our country.

Mr. Bertani, the president of "Petrobras", said: "Mr. President, you are impatiently awaited in Brazil on an official visit. I want to remind you once again
about the invitation our president has given to make an official visit to Brazil. I am convinced that your visit would give birth to a new stage of Azerbaijan-Brazil co-operation."

In the afternoon, Doug Henderson, from the Ministre of State at the Foreign and Commonwealth Office of the United Kingdom of Great Britain and Northern Ireland, held a reception in London in honour of the President of Azerbaijan Heydar Aliyev. During the reception Minister Doug Henderson and the President of the Republic of Azerbaijan Heydar Aliyev have delivered speeches:

**The Speech Of Doug Henderson, Minister of State at the Foreign and Commonwealth Office**

Ladies and gentlemen! Today I am very pleased that I have the opportunity to welcome His Excellency President Heydar Aliyev of Azerbaijan to Great Britain and also to the Ministry of Foreign Affairs.

Mr. President, I am especially pleased that you are visiting the United Kingdom of Great Britain and Northern Ireland again. After your last visit to our country, a lot of changes have taken place both in Great Britain and in Azerbaijan. I am very glad that I have the honour of welcoming you not only at the beginning of your visit but also at the end of your last visit to Edinburgh.

To abide by the traditions of our country, we are meeting in the Locarno room, the reception and dinner room where in 1925 the Locarno agreement was signed.

Mr. President, I hope that Prime Minister Tony Blair awaits your meeting with excitement and impatience. I am sure that your meeting with the Queen will also be interesting.

I know that you will be meeting four state ministers, i.e. three members of the Cabinet of Ministers and myself. I am pleased to be among the ministers meeting you. The subject of these meetings will bear the character of the bilateral strengthening of relations between our states. Of course, it is very important to develop commercial relations. However, the main subject of the meetings is to establish strong political relations between Azerbaijan and Great Britain.

We know that Azerbaijan is a state which has great significance in the Caspian region. We would like to establish a strategic relationship with your country. I am glad that during the visit you'll be meeting different individuals and institutions which show a great interest in Azerbaijan, that is the Great Britain-Azerbaijan Society, a group of Azerbaijan's friends in Parliament.

The number of your country's friends in Great Britain is on the increase. There is such a group in Parliament. Mr. Terry Adams and Mr. Henry Richards are good friends of your country. I hope that you will gain new friends during your visit. A great responsibility also falls to me. I have not been to Azerbaijan yet. I hope to come to Azerbaijan and see you there and will continue to promote Great Britain-Azerbaijan relations.
Your Excellency, I wish you a successful, interesting and memorable visit. I ask you to raise this glass to the health of Her Majesty the Queen! I ask you to raise your glasses to the honour of the president of the Republic of Azerbaijan!

*The Speech Of The President Of The Republic Of Azerbaijan Heydar Aliyev*

- Dear Mr. Minister! Dear ladies and gentlemen, friends!

I would like to welcome you all and to express my great pleasure at coming to the United Kingdom on this official visit.

The friendly relationship and co-operation, which were established between the United Kingdom and Azerbaijan, have their own history. In 1992, when Azerbaijan gained its state independence, the United Kingdom was among the first countries to recognise the statehood of Azerbaijan. In March 1992, the UK-Azerbaijani diplomatic relations were established. An embassy of the United Kingdom to Azerbaijan was opened in 1993 and in January 1994, the embassy of our republic was opened in the United Kingdom of Great Britain and Northern Ireland.

In February 1994, I came to the United Kingdom on an official visit as president of Azerbaijan for the first time. A big number of documents bearing great importance in the establishment and development of UK-Azerbaijani relations was signed during the visit. The prime minister of the United Kingdom of Great Britain and Northern Ireland and I, the President of Azerbaijan, signed a mutual declaration on friendship and co-operation between the United Kingdom and Azerbaijan.

A great number of agreements were signed to boost UK-Azerbaijani co-operation in the fields of energy, tourism and telecommunication as well as ones pertaining to economic issues. From that moment until the present day, 14 intergovernmental contracts, agreements and memorandums have been concluded between the United Kingdom and Azerbaijan. Some of them were signed in London and others were signed in Azerbaijan during the official visit of the UK minister of foreign affairs. Thus, all the necessary legal documents for the development of UK-Azerbaijani co-operation were signed and this has created sufficient a base.

I consider that our co-operation in all spheres has been successful over the past few years. I accepted the invitation with great pleasure and today I have started my official visit in London.

I think that, all the meetings to be held and all the documents to be signed over the next few days will facilitate the higher development of interstate relations in all spheres in the future.

We also signed documents with your former government. A new government has been established in the United Kingdom in the last year. I am very pleased that our relationship continues with the new government. It is very important for me, the President of the Republic of Azerbaijan, to establish personal contact.
with the new government, the new Prime Minister, ministers and other members of the
government.

I attach great importance to negotiations with the Prime Minister of the United
Kingdom, which is fixed for tomorrow. And of course, no doubt, my meeting with Her
Majesty the Queen will be a historic event. My meetings with ministers, government
members and leaders of companies will be helpful for the development of
Azerbaijani-UK relations in all spheres.

Dear Minister, I entirely agree with you. Azerbaijani-UK relations in all spheres
shall develop. Moreover, further development of political relations is very important. I
hope that we’ll pay serious attention to this matter, realise the exchange of views and
gain new opportunities for better future development in this sphere over the next few
days.

I am happy to see here Mr. Terry Adams and Mr. Richards, whom I met several
years ago. But I am also glad to meet new friends. I consider today's meeting with you as
very significant, too. I highly appreciate your desire to visit Azerbaijan. And for my part
I also invite you to Azerbaijan.

We will be able to take important steps towards the development of relations
between the United Kingdom and Azerbaijani parliaments during the next few days.
There are members of the Azerbaijani parliament among those accompanying me. Some
of them are here, participating at this meeting.

Thank you for this meeting. I hope that our negotiations will become a good basis
for the things we plan to do during the next few days.

I ask you to raise your glasses to the health of Her Majesty the Queen! To the
honour of the UK government, the Prime Minister and his ministers! To your honour,
friends participating at this meeting!

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On the same day in London, Heydar Aliyev, President of the Republic of
Azerbaijan met Dr David Drury, the director-general of the British Council. Welcoming
Mr. Drury warmly. President Heydar Aliyev expressed his satisfaction at the close
relations between Azerbaijan and Great Britain.

Mr. Drury, who expressed his appreciation to President Heydar Aliyev for meeting
him despite the intensity of his visit, gave the leader of our Republic detailed
information about the British Council.

"The council has co-operated with Azerbaijan since 1994," he said. "Our goal is to
deliver and to popularise information about rich history, culture and traditions of the
young, independent Azerbaijani Republic to the world community. The representation
and staff of the British Council have been active in Azerbaijan from 1994. The Council
always pays special attention to the development of its relations with Azerbaijan."

Afterwards, Mr. Drury said that the travelling art department of the British
Council organised visits of the most notable figures of culture and art from all over the world to Great Britain and put on concerts and exhibitions in the big halls of London and other cities. He mentioned that figures of culture and art from Azerbaijan had visited a number of British cities in this way several times.

Mr. Drury, who talked about the British Council's intention to render assistance in reforming education, informed the president about workshops held in this regard. In his opinion, it was very significant to conduct joint scientific research with young Azerbaijani scientists and the Council attaches special importance to this issue. He said that the British Council intended to continue rendering financial aid to our republic for the implementation of these activities.

Mr. Drury spoke a lot about the British Council aid for the development of science, culture and professional structures in Azerbaijan.

Speaking about the importance of English language courses in Baku, Mr. Drury also mentioned that they planned to expand the scope of activity of these courses. He expressed his deep appreciation to the head of our state, Heydar Aliyev, for conditions created for the British Council in Azerbaijan.

President Heydar Aliyev, who listened intently to the information presented by Mr. Drury and expressed his appreciation to the management of the British Council for the work they have done, stressed his satisfaction that the Council offered such a good opportunity.

Emphasising the necessity to develop the science, culture and education of independent Azerbaijan, which has chosen the path of democratic development and market relations, the President of Azerbaijan spoke about the support rendered by the British Council with satisfaction.

Stressing the importance of the wide popularisation of Azerbaijani culture and art, President Heydar Aliyev mentioned that our people showed great interest in the ancient historical traditions of the British.

President Heydar Aliyev mentioned that the works of English writers, poets and figures of culture and art were well-known in Azerbaijan and highly appreciated by the Azerbaijanis, and he invited the director-general of the British Council to our republic on an official visit. "Mr. Drury, you'll see this for yourself when you come to Azerbaijan," he said.

Mr. Drury was pleased to accept the invitation of President Heydar Aliyev and said that he would certainly visit Azerbaijan.

Afterwards, the President of Azerbaijan, Heydar Aliyev, met Tim Eggar and Terry Adams, the executive directors British company "Monument Oil and Gas".

Mr. Eggar, who mentioned his meeting with leader of our republic Heydar Aliyev in London during his first official visit in 1994 with pleasure, said; "Mr. President, if you remember at that meeting I told that my purpose was to facilitate the activities of a considerable number of British companies in Azerbaijan. That time you replied that you welcomed those who wanted to come."

President Heydar Aliyev, who listened to Tim Eggar's words with pleasure, said: "You sent others at first to organise this work. Four years have passed since
that meeting. And now you are coming to Azerbaijan yourself as the head of a new oil company. That is good, I remember all these things. I have also had a lot of meetings in Azerbaijan. I am always pleased to meet you. A good relationship has been established between us. You are the best friend Azerbaijan has in Britain."

President Heydar Aliyev warmly welcomed another good friend of Azerbaijan in Great Britain and said: "Mr. Adams has lived in Azerbaijan for four years. As I have told you several times, Terry Adams is a very popular figure in Azerbaijan, he is loved by our people. For he has done a good job there, he served our people, our nation with respect. I am very glad that two friends of mine, Tim Eggar and Terry Adams, have teamed up. We will sign an agreement tomorrow. Mr. Eggar, formerly you used to organise agreements between British oil companies and SOCAR. And now the company you head will conclude an agreement."

Mr. Tim Eggar, who said that they wanted to do something special to commemorate the ceremony of the agreement signing between the "Monument Oil and Gas" company and SOCAR to be held on 21st July, said: "Mr. President, with your permission we would like to announce at the ceremony the founding of a scholarship in the name of President Heydar Aliyev to provide education to students at London University in the spheres of geopolitics, political science, diplomacy and economics. The scholarship has been founded in recognition of President Heydar Aliyev's contribution to the regional development of international affairs and the strengthening of Azerbaijan's independence. Thus, the management of "Monument Oil and Gas" expresses its appreciation to the important achievements gained in Azerbaijan under the political leadership of Heydar Aliyev. Afterwards, Tim Eggar said: "The students who will study at London University will write a scientific dissertation on one subject and the work will be published later. Mr. President, we request permission to use your name for this scholarship."

Giving his approval to the founding of such a scholarship. President Heydar Aliyev said: "I attach special importance to the education of a larger amount of young people in Great Britain."

The President of Azerbaijan, who said how much he appreciated the interest of "Monument Oil and Gas" company in establishing close relations with Azerbaijan, expressed his confidence that the documents to be signed in London on 21st July would play a significant role in strengthening interstate relations on a mutually beneficial basis.

Thanking President Heydar Aliyev for the attention paid to his company, Mr. Eggar said: "Mr. President, we are happy to work in Azerbaijan under your wise management. We will try to make sure that "Monument Oil and Gas" renders all the necessary assistance to the development of economics in independent Azerbaijan."

President Heydar Aliyev, who called for an international agreement to be signed between SOCAR, the US "Amoco" company, "Monument Oil and Gas" of Great Britain and the Russian "Central Petroleum company, said: "It is very impor
tant that this kind of agreement strengthens interstate relations between our countries and nations on a mutually beneficial basis."

Tim Eggar, who spoke to the president of Azerbaijan about the activities of the Anglo-Azeri Society, headed by himself, said: "Mr. President, I am very proud to chair this society. There are a lot of people who want to become members of our society. We want to deliver the truth about Azerbaijan and the democratic developments going on in Azerbaijan to the community in the United Kingdom, and to widely popularise the ancient and traditional culture and art of your country."

TeiTy Adams, who said that he was proud of his work in Azerbaijan under the wise leadership of President Heydar Aliyev, said: "Mr. President, I am very happy that I have had the chance to work in Azerbaijan. I know very well that you do great work in the republic, that your people love you from the bottom of their hearts and trust their wise President."

President Heydar Aliyev thanked Terry Adams for his sincere words and said that relations between "Monument Oil and Gas" and Azerbaijan had good perspectives.

The same day, the Anglo-Azeri Society organised an official reception in honour of Heydar Aliyev, President of the Azerbaijani Republic. The managers of the Anglo-Azeri Society, ministers, public political figures, a number companies' leaders and members of the delegation from Azerbaijan participated at the official reception. At the reception. President Heydar Aliyev gave a long speech. Douglas Hurd, the former Secretary of State for Foreign and Commonwealth Affairs of Great Britain, Tick Over, a representative of the "British Petroleum" company, and Roger Thomas, the Ambassador of Great Britain in Azerbaijan, also addressed the audience during the official reception.

**Speech Of The former Foreign Secretary Of The United Kingdom Douglas Hurd**

- Your Excellency, dear Mr. President! Ladies and gentlemen!
  We have started our meeting today in the British tradition and we continue it in the Azerbaijani tradition. First of all, we'll raise our glasses to the honour of two respectable persons. Afterwards, I'll ask the honourable president to give a speech. Afterwards, we'll give the floor to the organiser of our meeting. I ask you to get up and raise your glasses to the honour of Her Majesty the Queen.
- Your Excellency! Dear Ladies and Gentlemen!
  Your Excellency, let me welcome you, distinguished ministers, members of the Azerbaijani delegation, representatives of companies investing in Azerbaijan, friends of Azerbaijan in the United Kingdom on behalf of the Anglo-Azeri Society. We are very pleased to see you all here today.
  I am sure nobody will be surprised if I speak of the business opportunities that exist in Azerbaijan or of the outstanding Azerbaijani-British relations that are being developed. I just want to express my own opinion on this.
  As you know, I have held a lot of meetings with leaders, heads of government
and representatives of a great number of countries during my work in the public eye. After leaving such a position, everyone gets the chance to analyse his previous meetings.

Mr. President, here, in your presence, I must admit to you that among so many meetings there are ones that become engraved in mind and others that leave no trace in the memory.

Mr. President, allow me to say that I'll always remember my meeting with you. I remember very well how you stated your wise, realistic and at the same time very optimistic point of view in regard to the future of Azerbaijan, your country and region during our meeting.

Mr. President, just now, when I was talking to you, you said: "You see, everything I predicted before has come true." I 90% percent agree with your words. Being guided by my memory of that meeting of ours I have decided to speak here today, at the ceremony of the Anglo-Azeri Society.

Your Excellency, Mr. President, we would very much appreciate it if you said a few words.

Speech Of The President Of The Republic Of Azerbaijan

- Dear Ladies and Gentlemen! Dear friends!
- I sincerely welcome all of you and I am happy to be with you here today. Today, the most respected people in the United Kingdom, government members, Mr. John Battle and Mr. Douglas Hurd, who held significant posts in the United Kingdom for a long time and now work in other fields, Mr. Tim Eggar and others, the founders of the Anglo-Azeri Society and representatives of the United Kingdom's major companies have gathered here. That is why it is very important for to be here, at tonight's reception.

Mr. Hurd, from the first minute of our meeting I felt that you were very experienced in the field of politics. Along with acting as a member of the UK parliament, you have done a lot as Great Britain's minister of foreign affairs.

That is why all the meetings, all the negotiations we held with you were of great importance for me. For we were laying the foundations of UK-Azerbaijani relations, we were establishing them together. This was very important to me. Because Azerbaijan, being a young independent country, has to establish good relationships with countries with authority, like the United Kingdom, all over the world. I am pleased that we have created a great interest in our country, in government members, in ministers of the United Kingdom, including former ministers participating here at the official reception. As early as 1994, we saw that they decided to establish relations with us.

With a great feeling of pleasure I remember that my first official visit in the December following the presidential elections was to France and the second one was in February 1994 to London. Four years has passed since that moment. And today I think that we managed to lay a good foundation of friendship and co-
United Kingdom. However, we are not talking only about business and commercial relations. We are also talking about the creation of social relations and friendship. I would like to emphasise in particular those cultural relations.

I especially emphasise cultural relations, because I have seen monuments set up in memory of poets in Baku. Some of these poets lived 300 years before Shakespeare. If I have spoke of poetry I should also speak of music. When I open my windows in the summer in the north of England, where I live, my neighbours ask me about the music they hear playing in my house. It is Azerbaijani music.

I participated at the 4th and 5th "Caspian Oil and Gas" exhibitions in Baku. 400 companies representing 26 countries participated in the last exhibition. They were exhibiting the best samples of their products. This exhibition is advancing and improving every year. The fact that numerous British companies of different kinds were represented at the exhibitions fascinated me.

The number of British companies in Azerbaijan has increased and many of them have been working in your country now for several years. I believe that the British companies will work in Azerbaijan with greater resolution after new documents are signed. Though the signing of these agreements is only symbolic, they lay the groundwork for mutually useful and long-term relations. Of course, they refer to relations between oil companies, but these are also British-Azerbaijani relations.

Mr. President, let me at the end of my speech wish you and those who accompany you a successful visit. Finishing my speech in the Azerbaijani manner. I want to ask you to raise your glasses in honour of long-lasting relations between Azerbaijan and Great Britain. Let them continue into the 21st century.

Then Tick Over, the representative of the "British Petroleum" company, was asked to say a few words.

**The speech of Tick Over, representative of the "British Petroleum" company:**

Your Excellency, Mr. President Heydar Aliyev! Former and present ministers! Azeri friends, ladies and gentleman!

Today, I want to consider two problems. They are the independence and the tranquility of Azerbaijan. I consider that the history of these major problems began 80 years ago in May. But it is to be regretted that the history of independence was too short.

We are very glad to see the development of Azerbaijan in recent years, thanks to Heydar Aliyev's wisdom. We are also glad to see the gradual development of tranquility in Azerbaijan. It is very nice to see positive changes in Baku every time I visit. We have observed that the economic activity in Azerbaijan already covers different layers of this country's population.

I think that our British companies have contributed to developing tranquility and economic growth in Azerbaijan and that these companies play a great role in the present destiny of Azerbaijan. I hope that the "British Petroleum" company
will also take a more active part in present and future construction work in Azerbaijan.

Respected ladies and gentlemen, I invite you all to raise your glasses in honour of Azerbaijan's independence and tranquility!

Then Roger Thomas, the ambassador of Great Britain to Azerbaijan, made a speech.

The speech of Roger Thomas, the ambassador of Great Britain to Azerbaijan:

Respected Mr. President! Ladies and gentlemen!

Today, when I look at this meeting I think that some of you might be thinking that the only job of these diplomats is to eat and drink! Recently, I was asked a question. I was asked if I knew the difference between a camel and a diplomat. I confessed that I didn't have any idea what the difference could be. I was told that camels were able to work for two weeks without drinking anything, and that diplomats were able to drink for two weeks without doing anything!

Respected ladies and gentlemen, those times are already behind us. We are members of a new government - the labor Labour government. We, the employers of diplomatic services of Azerbaijan and of Great Britain, really work hard. And sometimes we deal with very strange issues. For example, oil, gas, pipelines and so on. But we also know that the oil is measured in barrels and that it flows through pipelines. As regards gas, it is a very difficult problem from the mathematical view. Gas is measured in cubic meters. No one has any idea about the flow of gas through pipeline.

I remember, when we studied in secondary school, our mathematics teacher used to tell us: "Look, if you do not work hard, if you do not do your best, 60% of you will fail your exams." One brave boy among us raised his hand and said: "Teacher, but we don't have that many pupils in our class." Later that boy got an excellent job in the diplomatic services of Great Britain! Relations between states are not bound only by oil, gas and mathematical issues. The field we are engaged in helps us to extend relations in different directions. This is the aim of this distinguished president's current visit.

I want to express my gratitude to two groups of people here. I thank the members of the Anglo-Azeri Society for their efforts to improve relations between our countries. The second group of people I want to thank is our translators. They are still here, standing hungry and thirsty. Our negotiations would be impossible without them. I thank all translators for their hard work. I ask that we raise our glasses to the honour of future generations of Azerbaijan as well as of Great Britain.

I hope that the good relations created between our countries will be passed on to the future generations.

Let's raise our glasses to the honour of future generations.

After the official reception, President Heydar Aliyev participated in a meet
ing of the Anglo-Azeri Society, held in London’s Claridge’s Hotel.

The participants of the meeting - community members, social and political figures, businessmen, ambassadors of foreign countries, representatives of the mass media - gave Heydar Aliyev, the president of the Azerbaijani Republic, a storm of applause. Tim Eggar, the chairman of the Anglo-Azeri Society and the general director of "Monument Oil and Gas", opened the meeting and said: Mr. President! Respected ladies and gentleman! Respected guests!

Dear President, let me say that I am very pleased to greet you at this meeting organised in your honour by the Anglo-Azeri Society.

This community was set up on the initiative of your excellent ambassador to London. We have greatly benefited from the help of your embassy to Great Britain and of the people it employs.

At present, more than 50 companies are members of the Anglo-Azeri Society and the number of individual members is also quite large. We plan to hold our first function in September. We are going to collect funding to render assistance to Azerbaijan's refugees.

Dear Mr. President, I met you during your last visit to Great Britain and said that our goal was to increase the number of British companies in Azerbaijan and to enlarge their representation in your country. Now you say that the number of British companies in Azerbaijan has exceeded 100 and so we have surpassed the Americans. I hope that American members of our Society will forgive me for these words.

Dear Mr. President, the truth is that due to your leadership Azerbaijan has gained many achievements in comparison with other states of the former USSR. You are the founder of a new Azerbaijani state. Therefore the friends of Azerbaijan in Great Britain and worldwide welcome you to Britain.

Mr. President, we thank you for honouring us with your visit to our Society.
British ambassador HE Andrew Hicker, while presenting his credentials to the President Heydar Aliyev. (6 December 2000)
Meeting with Edinburgh residents. (23 July 1998)

President Heydar Aliyev while looking at the exhibition in the Azerbaijani Cultural Centre in London (24 July 1998)

Respected Chairman! Dear ladies and gentlemen!

I congratulate you all sincerely on the occasion of this momentous event - the establishment of the Anglo-Azeri Society - and wish you good luck in your future works in this society.

The establishment of a Anglo-Azeri Society is a historical event in the improvement of relations between Azerbaijan and the United Kingdom. Diplomatic relations between Azerbaijan and the United Kingdom were created in March 1992, when Azerbaijan gained state independence. In February 1994, my first visit as president of the Azerbaijani Republic to the United Kingdom took place. As a result of this official visit, relations between Azerbaijan and the British government were established and treaties, agreements and many other documents were signed with the purpose of improving them.

I note with pleasure that over the past few years, relations between Azerbaijan and the United Kingdom in all fields - political, economic, cultural, scientific, humanitarian - have developed rapidly. A typical example proving this fact is that, as Mr. Eggar, the president of the Society, noted, more than 100 companies from the United Kingdom are functioning in Azerbaijan. This fact reflects only a part of our relations. But, as I said, our relations cover all fields. And now perhaps the moment has come to create a means of communication, the Anglo-Azeri Society, between peoples, not only between states and governments, in order to create friendship and to improve relations between them and to continue work in this direction. From this point of view, I appreciate the establishment of the Anglo-Azeri Society, approve of it, applaud it and congratulate you once more on this occasion.

I believe it to be a great achievement, that in just four years the friends of Azerbaijan in the United Kingdom have increased to such a great extent that this Society has been established and numerous people are gathered here today at your invitation.

Evidently the embassy and the ambassador of Azerbaijan in the United Kingdom has played a great role in establishing this society. But it is the duty and the obligation of the embassy. The contribution of well-known people from the United Kingdom, who have established this society, deserves much greater appreciation. I am very pleased that people well known in the United Kingdom are represented in the leadership of the Society. They are very distinguished and esteemed persons in Azerbaijan as well.

Mr. Tim Eggar, the chairman of the Society, for a long time was a member of parliament of the United Kingdom and worked as the Minister of Energy. He is one of the most distinguished and respected people in the United Kingdom. Mr. Tim Eggar's signature is at the bottom of the "Contract of the Century", the first contract signed on 20th September 1994 in Baku, Azerbaijan. Together we put forward a great proposal and implemented it - we made the oil and gas resources
of the Caspian Sea known to the world and drew the attention of great states and big companies to this region. I am very pleased that this same Mr. Eggar is the chairman of this Society. I was very pleased also to hear that Mr. Rifkind, the former Foreign Secretary, was in the executive body of the Society.

Mr. Rifkind played a great role in the improvement of relations between Azerbaijan and the United Kingdom, when he was Foreign Secretary. Mr. Rifkind signed many important documents between the United Kingdom and Azerbaijan in Baku.

In April 1996, when an agreement was signed between the European Union and Azerbaijan and other Caucasian republics, Mr. Rifkind was an eye-witness to this event and was representing the United Kingdom as a member of the European Union there.

It also made me glad that the society was under the leadership of Mr. Terry Adams. Mr. Terry Adams is a well-known person both in your country and in ours. In September 1994, after we signed that first contract, the consortium consisting of eleven companies, which signed that contract, established an International Operating Company and over the last few years, Mr. Terry Adams has led this company. We come a long and honourable way with Mr. Terry Adams during the past four years.

I remember two historical events: In January 1996 I left for Moscow to sign a contract between Russia and Azerbaijan on the northern pipeline route for the export of primary oil from the Caspian Sea. Mr. Chernomyrdin, the Prime Minister of Russia, and I signed that contract. Mr. Terry Adams accompanied me during that visit. On 12th November 1997, we celebrated the extraction of the first oil as a result of the implementation of the contract signed in 1994 in Baku. That first oil is still exported through the northern pipeline route, which was established due to the contract, signed on January 1996 in Moscow by me and by Mr. Chernomyrdin between Russia and Azerbaijan. Mr. Terry Adams was an active participant at that historical event as well. That is why his being on the executive body of the Society is absolutely reasonable.

Other members of the community are also very respectable people. I don't want to take up your time talking about them. I have talked about this so that everybody knows how great the people are who have established the Anglo-Azeri Society.

Today my official visit to the United Kingdom has begun. I have been holding meetings since 9 o'clock in the morning. These meetings have been very productive and efficient. Tomorrow I am going to meet the Prime Minister of the United Kingdom. We shall sign a declaration, once more confirming friendship and cooperation between our countries. Several contracts of great importance will be signed between the State Oil Company of the Azerbaijani Republic and the companies of Great Britain. I am to meet Her Majesty the Queen tomorrow.

My meetings shall continue over the next few days and my aim is to improve relations between Azerbaijan and the United Kingdom.
Azerbaijan has come a long way since it gained state independence, especially during the last five years. We are implementing democratic, legal and secular state-building process in our country. We are creating a market economy and developing it. We have opened our country to the world and have joined the economic integration process with all countries. The works done, especially the reforms carried out within past few years, have positively and substantially changed the situation in Azerbaijan.

In January 1994, we achieved a cease-fire in the military conflict between Azerbaijan and Armenia and there has been no fire for more than four years. Talks are being held in order to solve this problem by peaceful means.

The illegal criminal groups that have existed in Azerbaijan over recent years have been quashed, social and political stability has been fully ensured. Today, people live in peace in Azerbaijan, and opportunities have been created for foreign investment. The fact that more than 100 British companies are acting in Azerbaijan indicates that every opportunity exists for foreign investors in Azerbaijan.

But investors coming to Azerbaijan are not only from your country. Investors from all over the world have already come to Azerbaijan. I am very glad that at last Azerbaijan can create competition between the United Kingdom and the United States of America. This was not an easy issue. Imagine what Azerbaijan will be able to do, if we can achieve this.

So, our cooperation has a very beautiful future. From this point of view, the Anglo-Azeri Society also has a very great future. I bid a sincere welcome to all of you and wish you happiness and good health. I wish all citizens of the United Kingdom peace and tranquility. I wish you all success in your future life and work. Thank you!

The grandson of the famous political figure Wilson Churchill, a former Prime Minister of Great Britain, was among participants at the gathering. He noted that he had been in Azerbaijan only once and that he would like to visit Azerbaijan again. In response, President Heydar Aliyev invited him to come to Azerbaijan. President Heydar Aliyev said that his grandfather was a very esteemed person in Azerbaijan, as he was everywhere else.

The President of the Azerbaijani Republic, Heydar Aliyev, accepted Patrick Cormack, the international President of "First" magazine, which is published in Great Britain, in his residence in London on 21st June.

Mr. Cormack thanked the President of the Azerbaijani Republic that despite the intensity of his programme, he had found time to accept him and added that he wanted to ask Heydar Aliyev some questions.

President Heydar Aliyev answered the questions of the international president of "First" magazine.

Patrick Cormack: Mr. President, I hope that your visit to our country has been successful so far?

Heydar Aliyev: Yes, I had many meetings yesterday, and I am generally
pleased with my visit so far.

Patrick Cormack: Mr. President, your Excellency, our magazine is going to publish a detailed article about Azerbaijan and about your formal visit to our Great Britain. We hope that this article will be useful in the development of relationships between your country and western governments.

Heydar Aliyev: I am very pleased, thank you for the attention paid by your magazine to Azerbaijan.

Patrick Cormack: I have some more questions, if you don't mind. Mr. President, you have brought permanent stability to your country. How did you achieve this?

Heydar Aliyev: We achieved stability in our country as a result of measures we took in the social sphere. This is the result of the policy we have applied. We have built a democratic and lawful government in Azerbaijan. This is the result of measures taken in the process of the construction of the state, the result of measures we took on accepted laws and the observance of these laws in society.

There were several reasons for the absence of social and political stability in Azerbaijan in previous years. The first was that after the collapse of the Soviet Union, all countries, which were going through a transition period, went through difficulties in equal measure. That is characteristic of the transition period. And in Azerbaijan there were problems added to this. One of those was the Armenian-Azerbaijani conflict. This is the war which appeared as a result of the aggression by Armenia against Azerbaijan in 1988.

The second reason is connected with the coming together of separate powers, armed groups struggling for authority in Azerbaijan. The struggle for authority is natural in any democratic country. The same struggle goes in your country and we learn many things from you.

Patrick Cormack: Was it a struggle for authority with boxing gloves?

Heydar Aliyev: Not just boxing gloves. It involved weapons - guns and tanks. There wouldn't have been half the amount of trouble if we had only had boxing gloves.

Patrick Cormack: We are very glad that you have now achieved calm in Azerbaijan.

Heydar Aliyev: Yes, we stopped the conflict between Azerbaijan and Armenia, we achieved a cease-fire in May 1994. Secondly, we began to neutralise the internal terrorist groups. We tried to explain to people that if they want to struggle they must do it legally.

Patrick Cormack: You are completely right. They won't be able to reap the benefits of Azerbaijan's oil if there is no peace in the republic. Mr. President, we would like to know your opinion about the usage of Azerbaijan's oil resources in cooperation with western countries. What can you say about the oil pipelines routes from Azerbaijan? Which route do you intend them to take?

Heydar Aliyev: You see, it is expedient to involve world-wide oil companies, which have modern technology and financial opportunities, in Azerbaijan to exploit our oil resources. We have done this and we will continue to do this.
Today, more agreements will be signed.

The second matter is to expose the export of petroleum on the world market. This is not so easy. We think there should be more oil pipeline routes. There shouldn't be only one. We must have opportunity for manoeuvre. Western and world-wide companies which work in Azerbaijan agree with this opinion. That's why we are building an oil pipeline from Baku through Russia's territory to the Black Sea port of Novorossiysk for exporting the initial oil. We are already exporting oil via this pipeline. In the same way, we are building another pipeline through the territory of Georgia to the Black Sea port of Supsa. Each of these pipelines exports five to six million tonnes of oil every year. But we expect more oil in Azerbaijan in a short time. That's why we need a main oil pipeline.

When we signed the first oil pipeline agreement in 1994, we took this into account. We want to build this oil pipeline from Baku in Azerbaijan, through Georgia to the Turkish Mediterranean port of Ceyhan. There are also very rich oil resources in the Kazakh sector of the Caspian Sea. There is oil on the territory of Kazakhstan and on the territory of Turkmenistan, certainly the export of part of this oil should be in a western direction. For example, Kazakhstan wants to use the Baku-Ceyhan oil pipeline.

Patrick Cormack: Are you pleased with this?
Heydar Aliyev: Yes, we signed an agreement with Kazakhstan. They plan to build an oil pipeline from the Kazakh port of Aktau, under the Caspian Sea to Baku. Kazakh oil will be exported via this pipeline to Baku and then will flow through the Baku-Ceyhan pipeline to the Mediterranean Sea together with Azeri oil. Maybe this oil will be transported via our other pipelines, too.

Patrick Cormack: We hope that the existence of so many pipelines will be useful for the creation of stability in region and for the development of cooperation between regional governments, and neighbouring countries.

Heydar Aliyev: You are right.

Patrick Cormack: We, the organisations of Great Britain, want to help you with these processes using our own technologies combined with yours.

Heydar Aliyev: We think the same way. That's why we have successfully cooperated with each other over the last four years.

Patrick Cormack: We shall make a note of this in our magazine.

Heydar Aliyev: Yes, you are right to. I am holding important meetings here. A company which has been operating in Great Britain for more than 100 years is now working in Azerbaijan. BP has put up 260 million dollars to exploit our petroleum resources, and Ramco has put up 29 million dollars. British companies have poured 350 millions dollars into projects, and they are doing the job as we speak.

Patrick Cormack: This is very good news. I'm very pleased to hear this.

Mr. President, I would like to touch on one more matter. I promise to make it short. Along with attracting these companies, and particularly British companies, to your country, there is also a need to improve the situation regarding the
acquiring of licensees, a necessity to get permission so that they can continue to invest. This would inspire investors to invest more money.

Heydar Aliyev: This is true, and we are making inroads into this problem. But there have also been mistakes. These are new things for us. It's impossible to do everything to the level you desire all at once, but we are working at it. Conditions are being created for this purpose every day. I mean that we have the laws; they have been established. There have just been some mistakes in their implementation.

Patrick Cormack: It has always been like this. Certainly you face difficulties when you choose to go the way of democracy. We shall prepare and publish at least one article about that, I mean that a suitable situation for international companies has been established. Your Excellency, I wish you a successful visit. I'm sure that you will leave our country with positive impressions. I'm confident that your visit will help you to boost the mood of people living in independent and prosperous Azerbaijan, which lives in peace and is developing rapidly.

Heydar Aliyev: Thank you very much. I came on this visit with just these hopes and wishes, and since the beginning of my visit yesterday I feel that my hopes will be justified, and that relations between our countries will develop further.

Patrick Cormack: I am certain about this. But remember that neither politicians nor journalists can keep bankers waiting. I know that you have a meeting with a banker after me. I hope that your negotiations with him will also be successful.

Heydar Aliyev: I invite you to Azerbaijan. If you come and see Azerbaijan with your own eyes, you will get a much better impression. Come to Azerbaijan as my guest. We can carry out wider negotiations in Azerbaijan and you can meet not only me, but also many other people.

Patrick Cormack: I appreciate your invitation very much. I hope I will be able to come one day. I wish you good luck in your forthcoming presidential elections.

Heydar Aliyev: Thank you

And at the same day an agreement on the opening of the international banking-loan has been signed between the European Bank Reconstruction and Development and International Bank of Azerbaijan at the resident of Heydar Aliyev. The agreement has been signed by Fuad Akhundov, chairman of the Steering Committee of the International Bank of Azerbaijan and Charles Frank, first vice-president of the European Bank for Reconstruction and Development.

Charles Frank, first vice-president of the European Bank for Reconstruction and Development Bank and President Heydar Aliyev made speech at the ceremony.
The speech of the first vice-president of the European Bank for Reconstruction and Development, Charles Frank

I am very pleased to meet the President of the Azerbaijani Republic, Heydar Aliyev, and the people accompanying him at this signing of ceremony. The European Bank for Reconstruction and Development is providing 20 millions dollars for Azerbaijan. I hope that there will be similar credits in the future. I would like especially to emphasise the assistance of my Azerbaijani colleagues in the planning and preparation of the basic documents for this agreement. I believe that this credit agreement, which we will sign today and other ones that we shall sign in autumn, will be successfully implemented.

Azerbaijan is a country rich in natural wealth. I hope that these credits will help the development of small and medium companies and the banking system in the country. This credit line will provide the opportunity to get financial support from Azerbaijan's International Bank.

The speech of the President of The Azerbaijani Republic Heydar Aliyev

Dear Mr. President! Ladies and gentleman! There a determination for the cooperation between the European Bank for Reconstruction and Development and the Azerbaijani Republic. I had meetings with the leaders of this Bank during my first formal visit to the United Kingdom. Then our visits continued in Baku. This has amounted to very successful cooperation between Azerbaijan and the European Bank for Reconstruction and Development in previous years.

The European Bank for Reconstruction and Development determined credits for the construction of some buildings, especially the Yenikend Hydro-Electrical power station and other buildings in Azerbaijan. Together we are guaranteeing the use of these credits now.

I'd like to say that I'm very pleased with our cooperation. I'd like to say that I'm a supporter of expansion of cooperation between the European Bank for Reconstruction and Development and Azerbaijan in the future.

The agreement signed today is very important for this. Because with this agreement the European Bank for Reconstruction and Development exposes its attitude and assistance for development of the private sector in Azerbaijan. Our aims include restoring the market industry in Azerbaijan, finishing the privatisation process and developing our republic's industry in free enterprise and market industry, and improving the mood of the people.

That's why I think that today's agreement, the opening of a credit line by the European Bank for Reconstruction and Development for the Azerbaijan International Bank foretells a large future.

Mr. President, I appreciate your signing this agreement and at the same time
your announcement about the expansion of these works.

I have seen that the privatisation process is regularly realised in Azerbaijan. The privatisation of the bank system is one of the most important matters in our diary. We are starting with the privatisation of the Azerbaijan International Bank for the beginning of this process.

I am pleased with the interest of the European Bank for Reconstruction and Development in the privatisation of the banking system and I certainly will assist your participation in these matters.

Thus our cooperation in previous years must be appreciated positively. The agreement that is signed today is one of the examples and opens very valuable perspectives for the future. I invite the European Bank for Reconstruction and Development for more close cooperation in future. Thank you very much!

When the process of signing of an agreement between the International Bank of the Azerbaijani Republic and the European Bank for Reconstruction and Development was finished, Heydar Aliyev told the journalists who were accompanying him about the meetings he had had during his formal visit:

"These meetings have been very good both in number and in structure. You see that our meetings are carried out in sincere conditions. There is great interest in Azerbaijan in United Kingdom. You took part in the meeting of the Anglo-Azeri Society and saw its meaning. This society didn't exist when I came here four years ago. But you see how big a society has been created during these four years. All these are the result of the foreign policy of Azerbaijan.

The United Kingdom is not a simple country. It has its own character and traditions. They don't agree with some of their traditions, but they can't ignore them. They render us care and hospitality despite of all these. Care and attention are not such important matters. The important thing is that there is great interest in Great Britain in Azerbaijan. The United Kingdom wants to cooperate with Azerbaijan. Many numbers were put forward at yesterday's meeting. These are seen as facts that the things we do are very important for Azerbaijan's life, industry, the raising of its international level and image. You are eyewitnesses to this.

Correspondent: We congratulate you with extradition of Resul Guliyev from Turkey.

Heydar Aliyev: There is no need to congratulate me. He is not such a worthy man to interest me. Such people always become the victims of their own ill-bred activities. I have seen this in my life many times. I have been faced with such incidents since 1987. God punishes those who lose their way soon or later.

Then the President of the Azerbaijani Republic, Heydar Aliyev, met the vice-president of the European Bank for Reconstruction and Development Charles Frank, in his residence in London.
Charles Frank thanked the president of the Azerbaijani Republic for his participation in the process of signing the agreement between the International Bank of the Azerbaijani Republic and the European Bank for Reconstruction and Development and said he was pleased that the meeting had been attended by as prominent a state figure as Heydar Aliyev. He noticed that he paid special attention to the improvement of relations between the bank, which he supervises, and our country.

Appreciating the activity of the European Bank for Reconstruction and Development and noting that there are great perspectives to Azerbaijan's cooperation with this bank, Heydar Aliyev said that the credit line which was signed today would be a strong push for the mutual strengthening of useful relations.

Talking about the successful realisation of industrial reforms and privatisation in Azerbaijan, President Heydar Aliyev said that we were always keen for close communication between the industry of our country and world industry.

Talking about the historical contracts made between the influential companies of many world countries and Azerbaijan, the President of the Azerbaijani Republic said that as a result of the "contract of the century" signed in 1994, the first petroleum has been produced and is now exported via the Baku-Novorossiysk pipeline to the world market.

Noting the richness of the petroleum resources of Azerbaijan, President Heydar Aliyev said that our republic is very keen to export petroleum to the world market.

Talking comprehensively about the destinations of pipelines, their construction and conditions of use, and about the present construction of the Baku-Supsa pipeline, the President of Azerbaijan talked about the necessity to export petroleum via the main Baku-Ceyhan pipeline through Georgia and the Turkish territory to the Mediterranean Sea.

Talking about the export perspectives of Kazakh petroleum via the Baku-Ceyhan pipeline. President Heydar Aliyev said that ha had signed an agreement with Kazakhstan. It is planned to build a pipeline from Aktau beneath Caspian Sea to Baku. Kazakh petroleum will flow through that pipeline to Baku and will flow from there to Mediterranean Sea.

Appreciating highly his victories in all spheres in Azerbaijan, especially in the sphere of industry under leadership of President Heydar Aliyev, Mr. Frank said: "Mr. President, we appreciate all these positive developments in Azerbaijan and that's why we are seriously keen on the achievement of a close relationship with your country."

Talking about the successful continuation of democratic processes in Azerbaijan, which achieved independence six years before, the President of Azerbaijan comprehensively talked about the defending of human rights, the restoration of democratic principles and the wide arena given for the realisation of political pluralism in Azerbaijan.

Talking about the forthcoming elections. President Heydar Aliyev comprehensively discussed the law on elections established under the constitution of our country, which gives opportunities for the democratic, independent and fair holding of elections. We are very keen for these elections to be held on the basics of international...
legislative norms and in accordance with European standards, with the participation of all people in the democratic process, he said.

Talking comprehensively about measures taken against the difficulties which our republic faced on the road to democracy, the President of Azerbaijan, Heydar Aliyev, said that the struggle against bribery, corruption and other negative incidents would be continued.

Mr. Frank said that he was pleased with parallel developments in the industrial and political spheres and said: "Mr. President we know very well that your country will become one of the most developed countries as a result of your far-seeing policy. That's why the European Bank for Reconstruction and Development considers the development of relations very important and will speed up its work in this direction from now on."

The President of The Azerbaijani Republic Heydar Aliyev met Queen Elizabeth II in London the same day.

Her Majesty the Queen met President Heydar Aliyev sincerely and peacefully, and said that she was very pleased with the formal visit of the head of state to Great Britain.

Saying that she remembered with great pleasure her meeting with President Heydar Aliyev during the celebrations to mark the 50th anniversary of the end of World War II in London in May 1995, Her Majesty the Queen noted that she was very interested in development of relationships between Azerbaijan and the United Kingdom.

President Heydar Aliyev said that he was very pleased to meet Her Majesty Queen Elizabeth II, and noted that the strengthening of mutual relations with Great Britain in all spheres was very important for Azerbaijan.

Saying that dear Queen Elizabeth II was well known and well loved in Azerbaijan, President Heydar Aliyev noted that our nation's relationships have an old history.

Announcing that she had been informed as to the whereabouts of Azerbaijan, the Queen noted that the legislative and democratic measures taken in Azerbaijan over the last few years under the leadership of President Heydar Aliyev were watched with interest in Britain.

Expressing her gratitude for the conditions which had been established in Azerbaijan for the wide activity of British companies. Her Majesty the Queen noted that the regular development of relations in education carried a particularly important meaning.

Talking about the specific importance of steps taken by both sides. President Heydar Aliyev comprehensively discussed the implementation of agreements signed for the joint use of petroleum resources of the Azerbaijani sector of the Caspian Sea.

Talking about the agreements, which would be signed between companies in Azerbaijan and Great Britain after the meeting with Prime Minister Tony Blair, the President of Azerbaijan noted that relations in industry between the two coun
tries was on a high level.

Comprehensively talking to Her Majesty the Queen about the Armenia-Azerbaijan conflict, the President of Azerbaijan said that 20% of our territory was under fire by Armenian attacks, and that more than one million refugees from these territories lived in tents.

Talking about negotiations in the framework of the Minsk Group and the main principles of the measures carried out at the Lisbon Summit in 1996, at which the heads of both governments and members of the OSCE took part, the President of Azerbaijan talked comprehensively about the peaceful initiatives of our country.

Talking about the importance of finding a solution to the Armenia-Azerbaijan conflict as soon as possible to restore stability in the country, the President of Azerbaijan discussed new proposals, given by the co-chairmen of the Minsk Group, USA, France and Russia, to solve the Armenia-Azerbaijan conflict peacefully. Then the President of Azerbaijan noted the need for the attention of world society and influential states in this conflict.

Talking about the social and political situation in Azerbaijan, President Heydar Aliyev discussed measures taken to protect the independence and legislative and democratic processes of Azerbaijan.

President Aliyev said that Azerbaijan had chosen the way of democracy and market relations, close communication between global and Azerbaijani industries and the participation of Azerbaijan in European structures as a legal member. The President of Azerbaijan, Heydar Aliyev, remembered that in Azerbaijan, which had opened its doors to businessmen all over the world, more than a hundred British companies are operating.

Noting the close relationship between the United Kingdom and Azerbaijan since the beginning of this century, President Heydar Aliyev said that our independent country was proud to be allied with such an influential government as Great Britain and to see in it a close friend.

Noting the establishment of good relationships in the frame of international companies between Azerbaijan and Great Britain, the President said that there was a need to supplement attempts of England in defendant of Azerbaijan in its justify activity.

Declaring the great interest around the world in the establishment of mutually useful relationships with Azerbaijan, President Heydar Aliyev talked about the strategic meaning of the Europe-Caucasus-Asia transport corridor in the region.

Talking about the conference which would be carried out on 7th-8th September in Baku under the framework of the EU TRASECA programme for the restoration of the Ancient Silk Road, which used to be very important in the establishment of industrial and cultural relationships between world nations, the President of Azerbaijan said that he was sure that this international event would carry special importance for all governments, which participated in this conference.
Talking about the successful realisation of industrial measures and privatisation in Azerbaijan, the presentation of land for private property for the first time in Azerbaijan, the restoration of freedom of speech and political pluralism. President Heydar Aliyev said that our independent republic was very keen to learn more about practices in developed western countries.

Talking about the importance of the regular development of relationships in science, culture and education between Azerbaijan and Great Britain, the President of Azerbaijan expressed his satisfaction at British businessman in the strengthening of cultural and humanitarian relations between our nations.

The President remembered that he had invited Her Majesty the Queen to Azerbaijan on a state visit during his meeting in 1995 and said that the Azerbaijani people would be pleased to receive her as their guest.

Her Majesty Queen Elizabeth II thanked him for this kind invitation and said that she would be pleased to take him up on the offer. President Heydar Aliyev's daughter also took part in the meeting.

Then the President of the Azerbaijani Republic met the Secretary of State for Trade and Industry, Mrs Margaret Beckett, in London.

The meeting was carried out in a great castle called Lancaster House, which was established in the 18th century in London. Later, this great castle was used as museum and has now become a residency for the most respectable guests of the country.

Sincerely greeting the President of Azerbaijan, Mrs Margaret Beckett said that she was very proud to meet the world-renowned politician Heydar Aliyev. Touching on the formal visit of the President of Azerbaijan to Great Britain, the State Secretary said that this visit would be very useful for the strengthening of relationships.

Speaking about relations in the industrial area between the two countries, Mrs Beckett especially noted the practice of Azerbaijan in the petroleum industry and said that she had been informed that Azerbaijan had found oil in the Caspian Sea earlier than it was discovered in the North Sea.

Speaking about the participation of British companies in the exploitation of the petroleum resources of Azerbaijan, Mrs Beckett thanked President Heydar Aliyev for the establishment of necessary conditions for the work of these companies and appreciated the opening of more than 100 residences of the United Kingdom in Baku as a result of the care and attention of the President Heydar Aliyev.

Noting the wide and multi-faceted activity of British companies not just in the petroleum sphere, but also in water supply, communication, and infrastructure in Azerbaijan and the important meaning of their work, the State Secretary said that she was sure that the agreements which would be signed during the official visit of President Heydar Aliyev would play an important role in the development of relationships between "British Petroleum", "Monument Oil and Gas", "Ramco" and Azerbaijan.
Talking about the agreements which would be signed at the residence of the State Secretary of the United Kingdom, Mrs Beckett expressed her opinion that these agreements would involve millions of dollars-worth of investments to Azerbaijan and would open a wide area for our nation's progresses.

Noting that she would do her very best to increase the interest of British companies in Azerbaijan, the State Secretary said that she was sure that the mutually cooperation between our governments would develop day by day from now on.

Expressing his satisfaction with his meeting with Mrs Beckett and thanking her sincerely for her words, President Heydar Aliyev noted that he was keen on the regular development of cooperation between Azerbaijan and the United Kingdom.

President Heydar Aliyev talked about the intensive development of mutual relations in all spheres, political, industrial, educational and cultural and other spheres in our country, after the signing of agreements during his formal visit to United States in February in 1995 and noted the great perspectives of this cooperation.

Mrs Beckett arranged a magnificent evening in honour of President Heydar Aliyev. During the second part of the day, President Heydar Aliyev met Tony Blair, the Prime Minister of United Kingdom.

Mr. Tony Blair sincerely greeted the President of Azerbaijan and thanked him for accepting his invitation to come on an official visit to Great Britain. Noting that he remembered all their previous meetings with great pleasure, Mr. Blair said that he was very proud to carry out negotiations with such an influential politician as Heydar Aliyev.

Speaking about the good conditions of cooperation between Azerbaijan and Great Britain, Mr. Tony Blair said that regular development of industrial and political relationships carried very important meanings for them.

Noting the great interest in Great Britain in the Caucasus and Central Asia regions and the key role which Azerbaijan plays in this region, Mr. Blair talked about the wish of the United Kingdom to expand political strategic relationships with Azerbaijan.

Expressing his confidence that after signing the Declaration on Friendly Relationships and Cooperation great perspectives would be achieved for the expansion of mutual relationships between the two countries, Mr. Tony Blair said that after the victory of the Labour Party in the elections. Great Britain's policy towards Azerbaijan had not changed and that the strengthening of relationships with the new government was very important to him.

Noting the great strategic importance of Azerbaijan in the Caspian region, Mr. Tony Blair said that Britain appreciated Azerbaijan and President Heydar Aliyev as its strategic allies. Then he noted that the new government of Great Britain showed great interest in the regular development of relationships with Azerbaijan in the industrial, political and security spheres.
Expressing his confidence that the official visit of the President of Azerbaijan would achieve a new stage in the expanding of relationships between our countries, the Prime Minister noted that measures which have been taken over the last five years in Azerbaijan under the wise leadership of President Heydar Aliyev were saluted by the British government.

Noting the important role of democratic change in independence and the security of the sovereignty of Azerbaijan, Mr. Tony Blair touched again on the achievements in the industrial sphere in our country which had chosen the way of market relationships.

Appreciating the important role of historical agreements signed on the joint use of the Azerbaijani sectors of Caspian and the strengthening of industrial relationships between the young, independent country and world industry as a result of the unprecedented services of President Heydar Aliyev for his country, Mr. Tony Blair expressed his deepest gratitude to the president for the great conditions achieved for the activities of British companies in Azerbaijan.

Speaking about the strong base created by the industrial cooperation between the two countries for the development of state relationships between Azerbaijan and Great Britain, the Prime Minister said that the close participation of British companies in the Azerbaijani sector of the Caspian Sea carried special meaning for both the United Kingdom and Azerbaijan.

Speaking about the great perspectives of cooperation which would be signed that day between the companies of Great Britain and the Azerbaijani Republic as a result of an agreement on the joint use of the petroleum resources of Azerbaijan, Mr. Tony Blair noted the necessity of signing important, meaningful agreements in other spheres too.

Promising the close assistance of Great Britain in the representation of Azerbaijan in European structures, Mr. Tony Blair said that they would make all necessary attempts to help Azerbaijan, which had guest status in the European Community, to be accepted as a full member. He also said that Azerbaijan could be sure of the full assistance of Great Britain in this sphere.

Highly appreciating the great interest of Azerbaijan in the integration into Europe and speaking about the necessity to expand cooperation in the framework of the "Partnership for Peace" programme of NATO, Mr. Blair said that they were ready to assist Azerbaijan in this matter also.

Appreciating the preference of our country to export petroleum to the world market by specified routes, Mr. Blair said that the export of petroleum was very important from the point of view of the security of those pipelines.

Noting Great Britain's desire to help solve the Armenia-Azerbaijan conflict peacefully in the framework of the OSCE's Minsk Group, Tony Blair said that his country accepted the integrity of Azerbaijan's territory. He said that there were unchangeable principles of international norms of United Nations Organisation and the OSCE and that they must be executed.

Remembering that Great Britain also voted for the principles accepted to
solve the Armenia-Azerbaijan conflict at the Lisbon Summit in 1996, the Prime Minister expressed his confidence about the rapid resolution of this conflict.

Appreciating the abolition of the death sentence in Azerbaijan as an important step for the security of human rights, Mr. Blair saluted the decree signed by Heydar Aliyev in this matter and said that European countries appreciated highly the adherence of Azerbaijan to western values.

Speaking about the decision of the British Government to expand the activities of the British embassy in Azerbaijan, and taking into account the important role of our republic in the Caucasus and Central Asia, Mr. Blair asked President Heydar Aliyev to achieve the necessary conditions for this. The Prime Minister said that he would like to get information about the present social and political situation in Azerbaijan and negotiations which had been carried out within the framework of the OSCE’s Minsk Group to solve the Armenia-Azerbaijan conflict peacefully. He highly appreciated the measures taken in Azerbaijan within the framework of the European Union's TRASECA programme to restore the Old Silk route and noted the great perspectives of Europe-Caucasus-Asia traffic.

Expressing his gratitude to Mr. Blair for his kind words about Azerbaijan and noting the great interest in Azerbaijan for the development of relationships and cooperation with Europe, President Heydar Aliyev said that he was pleased with the present level of interstate relations with Great Britain which had been achieved after our republic got its independence.

Remembering with great pleasure his first official visit to London in February 1994 and the meetings and negotiations he had then, the President of Azerbaijan noted the important role of the document on the strengthening of Azerbaijani-British relations.

Highly appreciating the positive achievements which the Labour government had overseen in the country in such a short time after their victory in parliamentary the previous year. President Heydar Aliyev noted that he remembered his meetings with Mr. Tony Blair with great pleasure.

Expressing his gratitude for his official visit to London at the invitation of Mr. Blair, President Heydar Aliyev said that his meetings there and the documents which would be signed would create a new stage in the development of Azerbaijani-British relations.

Appreciating his meeting with Her Majesty the Queen as a historical date. President Heydar Aliyev said that they had talked comprehensively about the decisions of our nations, their countries' mutual relations, especially in science, education and culture.

Highly appreciating the Prime Minister's great interest in Azerbaijan and its cooperation with Great Britain in all spheres, Heydar Aliyev said that we were very proud of the interest from a government which had enough power to influence world policy and that we would do our best for the further development of these relations.

Positively accepting the opinion of Tony Blair on the expansion of the
British embassy in Azerbaijan. President Heydar Aliyev said that all the necessary conditions would be created for the increased activities of the embassy.

Expressing his pleasure that Great Britain appreciated implementation of legislative and democratic reforms in Azerbaijan, which had chosen the way of democracy. President Heydar Aliyev talked about the introduction of the first democratic constitution in Azerbaijan in 1995 and about the formation of a parliament which represented all political parties.

Speaking about the importance of close communication between Azerbaijan’s industry and world industry and noting that Azerbaijan had opened its doors to all foreign businessmen. President Heydar Aliyev said: "We signed an agreement with the most influential petroleum companies in the world on the Joint exploitation of the Azerbaijani sector of Caspian in 1994, known as the "contract of the century". The British company "BP" also put down an initial deposit. Since then the interest of foreign countries in Azerbaijan has increased day by day and one by one they have signed new agreements.

Remembering the activity of companies from all over the world in Azerbaijan, the head of our country expressed his pleasure at the participation of more than one hundred British companies.

Speaking comprehensively about Azerbaijan’s desire to export petroleum to the world market along different routes and about the construction and uses of these pipelines. President Heydar Aliyev expressed his opinion about the necessity to build the main pipeline along the Baku-Ceyhan route through Georgia to a Turkish port on the Mediterranean Sea.

Speaking about some of the agreements which would be signed with British companies after his meeting with the Prime Minister, President Heydar Aliyev talked about the rich resources of the Azerbaijani sector of the Caspian Sea, namely "Araz", "Alov", "Sharg", "Inam" and "Murdakanli", and "Jafarli" and "Zardab" which are situated on the ground and expressed his confidence that these agreements would be a strong push for the expansion of Azerbaijani-British cooperation.

Expressing his confidence in the close mutual relations in all spheres noted in the Joint Declaration on Friendly Relations and Cooperation which would be signed between the President of the Azerbaijani Republic and the Prime Minister of the United Kingdom of Great Britain and North Ireland, the head of our country said he highly appreciated the document on the construction of a hotel and business centre in our capital which would be signed between the executive powers of Baku city and the British company "Morrison".

Expressing his gratitude for the important role Great Britain plays in world policy and stating that it was one of the most influential governments in Europe in solving the Armenia-Azerbaijan conflict peacefully. President Heydar Aliyev talked about the history and reasons for this was and the pres
ent situation vis-a-vis negotiations carried out within the framework of the OSCE's Minsk Group.

Comprehensively explaining all this to the Prime Minister, Tony Blair, with the aid of a map, and speaking about the peaceful attempts made by our country, the head of our state said: "We want the freedom of Azerbaijani territories which have been captured by Armenia, we want the territorial integrity of our state to be restored, a guarantee of the inviolability of our borders, and we want the return of more than one millions of our citizens, who were rapidly expelled from their homes and are now having to live in tents."

Comprehensively explaining the principles, which were accepted during the Lisbon Summit attended by heads of states and members of the OSCE in 1996 to solve the Armenia-Azerbaijan conflict peacefully. President Heydar Aliyev expressed his gratitude for Great Britain's voting for the acceptance of these principles.

Speaking about the latest proposals of the co-chairmen of the Minsk Group, i.e. the USA, France and Russia, the President of the Azerbaijani Republic said that he accepted these proposals, but that Armenia wasn't paying any attention to the decisions and resolutions of international communities and international legislative norms, principles which had been accepted for everybody, and the proposals of the most influential governments in the world. Then President Heydar Aliyev said: "We want peace. The conflict must be solved peacefully. But we can never accept that even the smallest piece of our territory could be given to another country. This is our principal point of view. We will never reject this point of view."

Noting the great importance of being able to participate as a legal member of European political structures and speaking about the United Kingdom's desire to give assistance to Azerbaijan in this matter, Heydar Aliyev talked about measures which were being taken in the sphere of the protection of human rights in our young, independent government, the restoration of democratic principles and the wide arena for political pluralism.

Speaking about the presidential elections in Azerbaijan, President Heydar Aliyev said that the constitution of our country and the law passed on elections had achieved suitable conditions for the democratic holding of elections.

Noting the special importance of Europe-Caucasus-Asia traffic for Azerbaijan which takes own place in the world community and explaining the perspectives of the Old Silk Route, President Heydar Aliyev comprehensively talked about the international meeting which would be carried out in our republic this year, on 7th-8th September with the assistance of the Europe Community within the framework of the TRASECA programme, and invited Prime Minister Tony Blair to take part in this international event.

Appreciating the invitation from President Heydar Aliyev, Mr. Blair said that the government he headed was very keen the restoration of the Ancient Silk Road and that representatives of Great Britain would certainly take part.
in this meeting. Noting again the activity of more than 100 British companies in Azerbaijan, the Prime Minister said that they paid great attention to this conference and expressed his confidence that it would be useful for government participants.

Expressing his gratitude for the invitation to make an official visit to the United Kingdom of Great Britain and North Ireland, President Heydar Aliyev thanked the Prime Minister again and expressed his confidence that the meetings and negotiations which had been held and the documents which would be signed would play an important role in the development of cooperation between our countries in all spheres.

After the meeting, President Heydar Aliyev and Prime Minister Tony Blair signed the **Joint Declaration on Friendly Relations and Cooperation** between the President of Azerbaijan and the Prime Minister of the United Kingdom of Great Britain and North Ireland.

An agreement on the exploitation and use of perspective structures in the Azerbaijani sector of the Caspian Sea: "Araz", "Alov", Sharg" and a share in the oil production was signed by Sir John Browne, the President of the British Petroleum company, Harald Norvik, the President of the Norwegian "Statoil" company and Natiq Aliyev, the President of SOCAR. The agreement on the exploitation and use of the perspective "Inam" structure and the share of oil production was signed by Charles Pitman, the President of the US "AMOCO" company, Tim Eggar, the General Director of "Monument Oil and Gas", Yuri Shafranik, the Chairman of the Board of Directors of the Russian company "Central Petroleum of Russia" and Natiq Aliyev, the President of SOCAR.

An agreement on the exploitation and use and the production of oil at the "Murdakhanli" and "Jafarli" sites which are situated on the ground and the "Zardab" perspective structure was signed by Steve Remp, Chairman and Chief Executive of the British "Ramco" company and Natiq Aliyev, the President of SOCAR.

A Joint declaration on the construction of a hotel and office complex on the sea front in Baku was signed by Sir Fraser Morrison, Chairman of the "Morrison" Construction of Great Britain and Rafael Allahverdiyev, the Head of the Executive Power of Baku City. The Prime Minister of Great Britain and North Ireland, Tony Blair and the President of the Azerbaijani Republic, Heydar Aliyev, made a speech at the event after the documents had been signed.

**The speech of the Prime Minister of Great Britain, Tony Blair**

Let me say a few words. We are very honoured and proud to greet here President Heydar Aliyev. It demonstrates the changes that have carried out in relations and their strengthening.

Mr. President, this means for Azerbaijan that here, in the United Kingdom,
you have good friends. Although the commercial sphere is important, relations will strengthen not only in the commercial, but also in the political sphere. We believe that Azerbaijan plays a key role in modern politics.

We want to work with you to develop this role. The fact that we have signed a political declaration on top commercial agreements, means that we have established a strong base for future cooperation. Let me personally congratulate you on the progress achieved in your country and on the measures you have taken for this.

I am proud to welcome you here. Let today be a symbol of the beginning of a deep friendship and of measures we shall take in the future.

Mr. President, thank you!

The speech of the President of the Azerbaijani Republic, Heydar Aliyev

Dear Prime Minister!

First I want to express my gratitude to you for inviting me on an official visit to Great Britain. The negotiations I have held in your country and the wide and meaningful negotiations I have had with you today mean we have achieved a very good base for the development of relations between our countries.

We have made very good achievements in the development of relations in all spheres between the United Kingdom and Azerbaijan over the last four years. All this creates great perspectives for cooperation between our countries.

Prime Minister, we are stepping forward with into a bright future. The agreement we signed just now carries a very important meaning and I highly appreciate this.

The achievement of this kind of relations between the United Kingdom of Great Britain and Northern Ireland which is one of the greatest governments in the world and Azerbaijan is a great thing. The signing of this declaration carries a very important meaning for Azerbaijan.

The industrial agreements and documents which were signed today create a very good base for the future development of Azerbaijani-British relations. At the same time, all this is very important for the young, independent Azerbaijan, which is following the way of democracy, development and world industry.

Your country, your nation has made many historical achievements. During the second part of the 20th century, at the end of World War II, your country made developments in all spheres.

Carrying out legislative and democratic processes, and creating global industry in Azerbaijan, we try to imitate your experience. The joint use of the rich resources in the Azerbaijani sector of the Caspian Sea and generally all the petroleum resources in the Azerbaijani territory by great petroleum companies of the United Kingdom is very important for Azerbaijan.

These measures will be taken by British companies, which have a high level
of technical experience and by our own nationals who will achieve this high level in the future.

I declare that we will try to implement all the propositions which are reflected in the political declaration, the Joint Declaration on Friendly Relations and Cooperation, which was signed between the Azerbaijani Republic and the United Kingdom to develop British-Azerbaijani friendship and cooperation.

I congratulate you and express my gratitude for all the kind words you have said about Azerbaijan. Thank you!

President Heydar Aliyev answered questions from journalists in front of the residence of the British Prime Minister after their meeting together.

Question: How do you feel about the agreements which Azerbaijan signed today? And is Russia a supporter of or a competitor to Azerbaijan in the Caspian Sea?

Answer: First, I highly appreciate the agreements which have been signed, otherwise I wouldn't have agreed to sign them. There is also the "Moscow" company from Russia among the companies which signed these agreements. Yuri Shafranik, the former Russian Energy Minister signed an agreement in the name of the "Moscow" company.

Question: Is Nagorno-Karabakh mentioned in this declaration?

Answer: Certainly. And not only Nagorno-Karabakh, but also matters connected with solving the Armenia-Azerbaijan conflict peacefully took an important place in my conversation with the Prime Minister the of United Kingdom, who supported the rule of the principles of the United Nations Organisation and international law. The United Kingdom voted at the Lisbon Summit for the three principles to solve this conflict peacefully in December 1996. The Prime Minister repeated the attitude of Great Britain today and talked about attempts they would take to solve the Armenia-Azerbaijan conflict peacefully.

Question: Mr. President, can Azerbaijan rely on help from Britain as a member of the Europe Community?

Answer: Many governments belong to the Europe Community, and we need help from each of them. Also we need the assistance of the United Kingdom and I suggested that we should get this assistance.

Question: Mr. President, what can you say about your meeting with Her Majesty the Queen?

Answer: I was very pleased with our meeting. We comprehensively talked about relations between our countries, British and Azerbaijani culture, the political and social situation in Azerbaijan, about the Armenia-Azerbaijan conflict and about industrial relations between the United Kingdom and Azerbaijan. I am very pleased with this conversation.

Question: Mr. President, did you talk about the restoration of the Silk Route?

Answer: Yes, I gave very wide information to Tony Blair about the restoration of the Ancient Silk Road and the summit which will be held in Baku on 7th- 8th September. You know that he has been invited to this summit. Prime Minister
Tony Blair is very interested in this matter and asked many questions, because he wanted to formulate some things for himself. I think they will participate at a high level at this summit.

Question: Did you invite him to Azerbaijan?
Answer: Yes, certainly. I personally invited him on an official visit to Azerbaijan. He accepted my invitation. I sent him an invitation to participate at the Lisbon Summit and I repeated my invitation today. He accepted it with great pleasure. Thank you!

JOINT DECLARATION ON FRIENDLY RELATIONS AND PARTNERSHIP BY THE PRIME MINISTER OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, AND THE PRESIDENT OF THE AZERBAIJAN REPUBLIC.
10 DOWNING STREET, TUESDAY, 21 JULY 1998.

1. The Prime Minister of the United Kingdom, Tony Blair, and the President of the Azerbaijan Republic, Heydar Aliyev, met at Downing Street on Tuesday 21 July 1998 during President Aliyev’s official visit to the United Kingdom as the guest of the British Government.

2. The Prime Minister and the President reaffirmed the Joint Declaration on Friendship and Cooperation signed on 23 February 1994 as the foundation for the excellent bilateral relations which now exist. That declaration will continue to form the basis for the deepening of existing areas of cooperation and activity in new fields.

3. The Prime Minister repeated British support for the independence, sovereignty and territorial integrity of Azerbaijan. He underlined the importance of OSCE principles governing relations between member states. The Prime Minister and the President agreed that a peaceful and lasting solution to the conflict over Nagorno-Karabakh was an over-riding priority. They also agreed on the importance of maintaining the cease-fire established in 1994 and expressed support for the efforts of the OSCE's Minsk Group and its Co-Chairmen - the United States, Russia and France. The Prime Minister reiterated the position of the United Kingdom that the declaration of the Budapest OSCE Summit and the three principles enumerated in the statement by the Chairman-in-Office at the Lisbon OSCE summit remained the basis for a solution to this conflict.

4. The British Prime Minister praised the President of Azerbaijan for his success in strengthening statehood of Azerbaijan, for achieving stability and substantial economic growth in the country and for the implementation of reforms. He welcomed the President's determination to deepen political, economic and
democratic reforms and, in that context, to the holding of free and fair elections in October. The United Kingdom and Azerbaijan will continue to cooperate in further developing democratic institutions and the creation of an effective market economy in Azerbaijan, including through the programme of technical assistance provided by the Department for International Development's Know How fund.

5. The Prime Minister and the President underlined the importance of the Caspian region for world energy resources in the 21st century, and the leading role which Azerbaijan's co-operation with British energy companies is playing in developing them. They committed themselves to encouraging further co-operation in this field. They agreed on the need for multiple export routes to transport the region's energy resources to world market.

6. Following their talks, the two leaders witnessed the signature of three important oil and gas Production Sharing Agreements in which British Petroleum, Monument Oil and Gas and Ramco are major partners with the Azerbaijan State Oil company, SOCAR. The Wo leaders noted that the City of Baku and the Morrison Construction Group intended to undertake the construction of an important hotel and office complex planned for Baku. All these agreements demonstrate the increasing confidence of British companies in strengthening long-term partnership with Azerbaijan companies and enterprises.

7. The Prime Minister and President attached great importance to a settlement of the legal status of the Caspian Sea, and in this connection noted the progress in negotiations between the littoral states. The Prime Minister welcomed Azerbaijan's efforts towards a speedy solution to this issue. The welcomed progress, which would promote development of the Caspian's energy resources, to the mutual benefit of all the littoral states.

8. They also noted the potential for non-energy related investment by British companies in Azerbaijan. They emphasised the importance of developing and strengthening a favourable investment climate in Azerbaijan, by means of fair and transparent legal and fiscal regimes, and to stimulate such investment. They agreed that the availability of Export Credit Guarantee Department (ECGD) support for export credits continued to be important to the efforts of British companies to win business in Azerbaijan. They commended the efforts of the Azerbaijan-Britain Trade and Industry Council in stimulating trade and investment and the Anglo-Azeri Society in promoting cultural relations. They warmly welcomed the 85% increase in overall trade in 1997.

9. They welcomed the inaugural meeting of the United Kingdom /Azerbaijan Parliamentary Group which President Aliyev attended during this visit.
10. The two leaders particularly welcomed the British Council’s expanded operations in Azerbaijan, covering English language teaching, educational, scientific, technical, and cultural work, and the promotion of professional networks.

11. The Prime Minister and the President noted the importance of strengthening the comprehensive framework of bilateral co-operation. They also noted the potential for increased consultations and exchanges on a wide range of bilateral and multilateral issues. They welcomed proposals for additional bilateral agreements, including in the fields of education, transport, health and tourism. They looked forward to early conclusion of appropriate agreements. They decided to establish a mechanism for a bilateral dialogue on a broad range of security issues.

12. They encouraged the development of Azerbaijan’s relationship with NATO, especially through partnership for Peace (PFP) and the Euro-Atlantic Partnership Council (EAPC). They also noted the particular relevance of adaptation of the Conventional Forces in Europe (CFE) treaty, other arms control and non-proliferation subjects, and regional security in the Caspian area.

13. They welcomed the deepening of relations between the European Union (EU) and Azerbaijan, and expressed their hope for the early entry into force of the EU’s Partnership and Co-operation Agreement with Azerbaijan, which was ratified by the United Kingdom on 22 April 1998 and Azerbaijan on October 1996. The agreement should promote trade and investment, support democracy and economic reform, and establish a regular political dialogue and wide-ranging partnership between the EU and Azerbaijan. They welcomed the TRASECA project, which will improve communications and trade links throughout the Caspian region and noted the importance of international cooperation in establishing and implementing the Euro-Asia transport corridor and supported all efforts to secure its development. In this regard they noted the importance of holding a conference in Baku in September 1998 on the restoration of the historic Silk Road.

14. The Prime Minister supported Azerbaijan’s wish to become full member of the Council of Europe and World Trade Organisation and this would be attained soon.

15. The Prime Minister and President noted the importance of the development of international bilateral and multilateral co-operation in the struggle against organised crime, international terrorism, drug-trafficking, the illegal arms trade, the illegal export of art, money laundering and forgery.

16. The Prime Minister and the President agreed on the importance of their high-level dialogue and of maintaining frequent ministerial contacts.
Later that day the president of the Azerbaijan Republic Heydar Aliyev met John Battle, Secretary of State for Trade and Industry of United Kingdom of Great Britain and Northern Ireland, at the residence allotted to him.

President Heydar Aliyev said the meetings with her Majesty the Queen and the prime minister were the most important events of his official visit and noted that the Joint Declaration on Friendly relations and the Partnership Agreement signed with Tony Blair - between Azerbaijan and the United Kingdom of Great Britain and Northern Ireland - will play a great role in developing relations between our states. President Heydar Aliyev emphasised that the oil contracts signed by Great Britain's companies and SOCAR on joint oil field exploration created strong prospects for the development of relations between the countries, and he also noted the importance of close relation in other spheres, welcoming the document signed by "Morrison" company and Baku-city Executive Power.

Commenting on the international treaties signed by SOCAR with American company "AMOCO", Great Britain's "Monument Oil and Gas" and Russia's "Central Petroleum" on exploration, development and production sharing, Heydar Aliyev said he was sure that the joint activities of the countries played a key role in the development of the mutual relations.

The President noted the gradual development of relation not only in the oil sector, but also in the cultural and social sphere, the economy and science. He underlined the necessity of studying the experience of the United Kingdom, one of the most developed countries in the world.

The official thanked the president of the Azerbaijan Republic for his visit to Great Britain and said that the visit would contribute to the improvement of Azerbaijan Great Britain relations and reveal new fields of co-operation.

Mr. Battle endorsed the policy of the president of independent Azerbaijan and said that the agreements of joint exploration of the Azeri sector of the Caspian Sea promoted close integration of the Azeri economy into the world economy.

The official expressed gratitude to Heydar Aliyev for allowing Great Britain to take an active part in the oil agreements, noting that over 100 British companies were active in Azerbaijan.

Mr. Battle said he was of the history of oil exploration in Azerbaijan and said: "we would like to apply to Azerbaijan the experience Great Britain gained in its explorations of the North Sea".

The Prime minister called Azerbaijan, which plays a major role in the region, a real supporter of the United Kingdom and told of the steps launched in our country to ensure the normal operation of the Europe-Caucasus-Asia highway.

The President recalled famous British companies and their role in the development of Azerbaijan's oil industry, and recounted the meetings with the managers of the "Shell" and "Lasmo" companies in London.

Azerbaijan's president also described the various ways of Azeri oil was transported to the World Oil Markets, and talked about the construction and operation
of the pipelines, and the construction of Main Export Pipeline Baku-Tbilisi-Ceyhan.

President Aliyev emphasised the prospects for Europe-Caucasus-Asian transportation and the attention that Azerbaijan pays to these branches. He mentioned the forthcoming international conference dedicated to refurbishment of the Ancient Silk Road scheduled on September 7-8 in Baku. Mr. Battle said that Great Britain was interested in the conference and said; "Mr. President, Your foresight has made a great contribution to the reconstruction of the Ancient Silk Route. We attentively watch the economic and democratic steps of your country and we believe that it will become one of the most developed countries in the world under your guidance. You have deep knowledge of the history, economy and culture of your country and are trying to raise it to a new stage taking all these into consideration”.

He said that Azerbaijan was the first foreign country he visited as a minister, he often recalled his meeting with Heydar Aliyev and expressed his satisfaction at the close relations between Great Britain and Azerbaijan.

President Heydar Aliyev was pleased with these words and invited Mr. Battle to visit Azerbaijan again.

The minister accepted the invitation and stated: "Mr. President I believe every visit of mine to Azerbaijan and every meeting with you will give a new, strong impetus to the intensification of our relations”.

Then Azerbaijan President Heydar Aliyev met Great Britain's Minister of Defence George Robertson.

The leading official expressed his satisfaction with the meeting and said that he always recalled his meeting with Heydar Aliyev in Moscow in 1985.

He attended the 17th congress of the Soviet Communist Party as an observer and took part in events dedicated to the 40-year anniversary of end of World War II in Moscow. He also recalled his meeting with Heydar Aliyev at the summit of UNO and the Europe-Atlantic Co-operation Council held on July 8-9, 1997 in Madrid.

The State secretary noted that instability is a common enemy for all the world's nations and countries and said that he approved of the policy of Azerbaijani President Heydar Aliyev directed towards establishing stability.

The Azerbaijani President also spoke about his previous meetings with Mr. Robertson and said that he share opinion of state Secretary. He said: "Yes, we have to combat together instability, which is the common enemy; conflicts and separatism."

Azerbaijani President reminded those present that the conflict- Armenian aggression- which had been continuing since 1988 remained the most difficult problem for independent Azerbaijan; as a result of this aggression over 20 percent of Azerbaijan's territory is occupied by Armenian armed forces, over a million people were displaced from their places of origin and are still living in very bad conditions.
Commenting on the negotiations conducted by the OSCE's Minsk Group, on the cease-fire reached in May 1994 and the fighting that preceded it, Azerbaijani President noted: "We would like to liberate the territories occupied by Armenian armed forces and restore the integrity of our borders, to allow internally displaced people to return to their homes.

Azerbaijani President spoke about the principles adopted by OSCE countries to solve the Armenia-Azerbaijani dispute peacefully at the summit held in December 1996 in Lisbon and recalled that Great Britain's government also voted for these principles.

President Heydar Aliyev said that Azerbaijan accepted the last offers of the American, French and Russian co-chairmen of the Minsk group concerning the problem, but Armenia ignored all the orders, resolutions, international legislative norms and offers of the world's influential countries.

President Heydar Aliyev said that our republic agreed to grant a new status to Nagorno Karabakh /Azerbaijan's province/ but at the same time he said that Azerbaijan would never agree to give even a small part of our territory to another country.

Stating the UK's support for Azerbaijan's just actions and noting the inclusion of the UK's standpoint in this connection to the Joint Declaration signed by Azerbaijani President Heydar Aliyev and British Premier Tony Blair, Mr. Robertson underlined that Britain relied upon the resolution of the conflict on the basis of the principles approved at the OSCE Lisbon Summit. He also stated that, "We are going to proceed with cooperation with Azerbaijan within the framework of NATO's Partnership for Peace Programme."

Later that day President Heydar Aliyev met the president of Great Britain's British Petroleum Company, John Brown, at the residence allotted to him.

John Browne said that he felt satisfaction each time he met with Heydar Aliyev, and hoped that this visit would contribute to the development of Azerbaijan -Great Britain co-operation.

John Browne thanked Heydar Aliyev for signing agreements on joint exploration, development and Production Sharing Agreement for the Araz, Alov and Sharg fields and said he would try to improve Great Britain's relations with Azerbaijan in all the fields.

John Browne told the Azerbaijani leader about the activities carried out by BP in Azerbaijan and said: "Mr. President, we would like you to give your name to our new office in Baku".

President Heydar Aliyev expressed his satisfaction with the meeting, congratulated John Browne with the new agreement and said that he would support the intensification of relations with the company.
President Heydar Aliyev said that BP was the first influential company in the world that had signed an agreement on joint exploration of the Azeri sector of the Caspian Sea in 1994, but now over 100 companies are widely represented in the region. The President expressed his satisfaction with the close integration of British companies into the development of Azerbaijan's economy.

President Heydar Aliyev shared information about the pipelines intended to take Azeri oil to the world markets, their routes, construction and opportunities.

The Azerbaijani President spoke of the Baku-Novorossiysk and Baku-Supsa pipelines. According to him, the Baku-Ceyhan pipeline would have a key role in connecting the Caspian with the Mediterranean Sea via Georgia and Turkey.

John Browne thanked Heydar Aliyev for his care and attention towards BP's activity in Azerbaijan. He spoke of his satisfaction with Heydar Aliyev's policy in strengthening social and political stability and the changes that are observed in different fields. The participants also widely discussed the other matters concerning the co-operation of BP and the Azerbaijan Republic.

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The visit of Azerbaijan's president Heydar Aliyev to Great Britain was widely covered by the British media. The meetings and negotiations of the President were given full coverage in the newspapers and television.

A journalist from the BBC, Britain's largest television channel, interviewed the President on July 21. The interview was broadcast that evening not only in Great Britain but also in many other countries worldwide.

**Question:** Mr. President, what is the importance of the agreements signed today?

**Answer:** The agreements signed today are very important. Firstly, Azerbaijani President Heydar Aliyev signed a Joint Declaration on Friendly relations and Partnership with the Prime Minister of Great Britain, Tony Blair. This political declaration covers almost all the fields of our relations. That is the reason of its importance. I rate it highly.

Besides that, the State Oil Company of the Azerbaijan Republic and the "BP/Statoil", "Ramco" and "Monument Oil and Gas" companies signed agreements on exploration of the rich fields of Azerbaijan's sector of the Caspian Sea.

**Question:** Mr. President. How do you estimate the relations between Great Britain and Azerbaijan? What do you think about the significance of Great Britain presence in Azerbaijan? What do you think about Great Britain's contribution to development of Azerbaijan?

**Answer:** You know the relations between Azerbaijan and Great Britain have increased considerably during the past four years. I am satisfied with the current relations. My visit to Great Britain, the negotiations we have conducted and the documents we have signed will promote the development and expansion of those
relations.

The development of the relations with Great Britain is very profitable for Azerbaijan. But still I hope Great Britain will also appreciate them.

**Question:** Mr. President, Azerbaijan is an oil producing region of the 21st century. What can you say about the deposits of the Caspian Sea basin?

I see it very clearly. In the 21st century the Caspian Sea will be one of the largest oil-producing regions. It was Azerbaijan which started the process and introduced the region to the world community. The agreement signed in 1994 heralded a new era.

At present State Oil Company of the Azerbaijan Republic has signed 15 documents with the largest companies of the world concerning the Joint exploration of the Azeri sector of the Caspian Sea.

**Question:** It is my last question. Mr. President, what would you like to achieve by means of the cash, the income you receive from oil? If you wanted to achieve something, what it would be?

**Answer:** I would like a lot of our wishes to come true. Undoubtedly, firstly I would like to develop all branches of Azerbaijan's economy. I do all this for the strengthening and development of Azerbaijan from the economic point of view. Using these benefits I would like to improve the living standards of every citizen in Azerbaijan. And I believe we will achieve better results.

**Correspondent:** Mr. President, thank you very much for taking your time.

**Heydar Aliyev:** Good bye.

The Lord Mayor of London arranged an official function in honour of the leader of our country Heydar Aliyev the same day.

Officials from Great Britain, representatives of business circles, heads of the country's famous companies, foreign diplomats and members of Azerbaijan's delegation took part in the reception.

Mr. Nicholson and his spouse sincerely welcomed President Heydar Aliyev and his daughter Sevil Aliyeva. Azerbaijani President put his signature to the honourable guests' book.

The Lord Mayor of London and the Azerbaijani President each delivered speeches at the reception.

**The speech of London Lord Mayor Richard Nicholson**

Your Excellency, Mr. President!

Milord, Members of Municipality Council, sheriffs. Ladies and Gentlemen.

Mr. President, Lady Mayor and myself are glad to see you and the members of your delegation accompanying you at the "Guildhall" large hall and we would like to welcome you of behalf of the London municipality.
It is your fourth visit to Great Britain as president. The London Municipality recalls with satisfaction your participation in the ceremony devoted to the 50th anniversary of victory in World War II held in this hall in 1995.

The relations between Azerbaijan and Great Britain have increased considerably during recent years. I hope that alongside with the increase of oil production in the Caspian Sea fields these relations will also intensify. As regards the estimate that the Caspian Sea oil reserves comprise 7 billion barrels and that there are gas reserves of 30 trillion cubic feet, these figures can potentially be increased several times over.

At present over 100 British companies operate in Azerbaijan and they are involved in large contracts. BP is a brilliant example. The company is involved in the work of the Azerbaijan International Operating Company and co-operates with the skilled specialists of the Azerbaijan Republic. The consortium has achieved considerable results in the development of Azeri, Chirag and Gunashli fields. The success of the British company is first of all based on the experience gained during operation in the harsh conditions of the North Sea. Britain developed its offshore oil industry by itself. Having improved our technology, we became the leaders on a level with the highest world standards in the sphere of environmental protection and safety regulations. Regardless of the place we work at, we take the local conditions into account and pay much attention to the development of national industry.

Due to this approach British companies have achieved such great results.

There are a number of common features in the development of the North Sea and the Caspian Sea fields. In particular there are a lot of such features in the cities of Baku and Aberdeen. I am quite sure that experience gained there may be applied to Azerbaijan.

A new agreement signed today at the Prime Minister's residence in Number 10 Downing Street, is an excellent example of the desire of British companies to work in Azerbaijan.

Mr. President, I would like to congratulate you. You made great efforts to achieve this success. It is not only applied to the oil sector, but at the same time it is applied to the stability achieved in the social and economic sphere. It is well known that if there is no economic and political stability it is impossible to gain success in other fields.

I know that the Anglo-Azeri Society made a considerable contribution to the intensification of relations between the two countries. In particular I would like to point out the work of Azerbaijan's embassy in Great Britain and the efforts of dear Tim Eggar.

Mr. President, I know that Azerbaijan is carrying out different programmes and reforms to achieve stability and those reforms refer, first of all, to the tax-budget policy. I also know that some of reforms are aimed at promoting the privatisation process. I consider there is still a lot of work to do.

The privatisation process is still going on in Great Britain. US$59 billion in
extra investments will be allocated for this purpose. Now the privatisation programme has been realised at communication and power engineering enterprises and in railway transport.

Privatisation programme and the attractiveness of Great Britain for investment allowed us to create a high level industrial base, which is progressing. The commercial banks and accounting specialists of London share information on the peculiarities of the privatisation process and the management of assets with a number of governments throughout the world. I advise you to take advantage of their knowledge and experience.

Industries from Britain and a number of foreign countries consolidate their capital in the City of London. Here we have all the relevant conditions for open and international business.

Today this hall hosted representatives of economic centres, people who for a long time have been involved in oil and gas industry, who are capable of managing manage projects, and have experience in establishing companies. Mr. President, I know they are grateful to you for the opportunity to exchange views with you or members of your delegation. Mr. President, it is an honour for me and Lady Mayor to welcome you here in the "Guildhall" hall. It was a pleasant and, for us, unforgettable evening. I am extremely glad to see you here again and to greet you personally. I wish you a happy future.

Ladies and Gentlemen, feeling endless satisfaction, I would like you all to raise your glasses to Heydar Aliyev!

_Speech of the President of the Azerbaijani Republic Heydar Aliyev_

- Dear Lord Mayor!
- Dear Ladies and Gentlemen!
I sincerely greet you and wish you good health and every success.

Dear Mr. Lord Mayor, thank you for today's dinner party. I listened to your speech attentively and I am satisfied with the words you said about Azerbaijan and Azerbaijani -Great Britain relations and our future co-operation. I feel very happy being here, with you in this hall.

I and the representatives of Azerbaijan's delegation participating at the "Guildhall" realise that we are now at the centre of one of the most ancient buildings in London.

Formerly, we read and studied from books a lot about your country, your nation, the heroic history of your people, your culture, literature and science. The information we gleaned from the books and later from films fascinated us and created among the Azeri people a bond with you and your country.

It is the second time that I am taking part in a function in this hall. In May 1995 leaders of the world's countries, especially European countries' heads of state and representatives came here at the invitation of the United Kingdom to participate in the celebrations devoted to the 50th anniversary of World War II.
Victory Day.

European countries suffered great losses in World War II. All the nations including Azerbaijan's people contributed to the Victory in 1945. So, as president of independent Azerbaijan I took part in the arrangement as an official guest. I still remember the meeting and the celebration with the heads of Great Britain and European countries held in this hall in 1995.

But today I am more excited. Today's dinner party is devoted to independent Azerbaijan, its official representatives and its president. We value it highly.

Everything here recalls the heroic history of Great Britain.

The architects, builders and common people who constructed the palace were very talented and skilful. They left an irrevocable memory of Middle Ages Great Britain for present generations. I am sure that you are very proud of these achievements. We honour and feel love for your country, and we feel happy like you.

It is the second day of my official visit to your country. The visit, arranged by Great Britain’s Prime Minister Tony Blair, is very important for the development of Azerbaijan - Great Britain relations. During these two days I took part in several meetings and talks and signed documents, agreements and treaties, which will play a leading role in the further development of Azerbaijan - Great Britain relations. Four years ago, in 1994 I paid an official visit to your country as a president for the first time. That time the first intergovernmental agreements and documents were signed between our states. During the following years more documents were signed and thus they created the legislative-normative base for cooperation and friendship between our states and governments.

We are very glad that the relations between our states were constantly developing, expanded and have now achieved a high level. Yesterday we attended the meeting of the members of the Anglo-Azeri Society at "Claridge's" Hotel. There were several hundred people there. As far as I am aware a lot of people wanted to take part in the meeting, but the Society leaders simply were not able to accept them all. But the situation was quite different in 1994 because only a small amount of people in Great Britain knew about Azerbaijan. During this short period we established a Society in Great Britain and, you know, outstanding, honourable, experienced persons of your country work in the Society.

A joint Chamber of Commerce from our country has already been carrying out activities in your country and achieved considerable results.

Over 100 British companies operate in Azerbaijan at the present time. BP alone has invested capital of US$260 million. British companies, which signed the first document in 1994, work on contracts with the State Oil Company of the Azerbaijan Republic and have received different contracts at the rate of US$350 million.

I can present you a lot of other figures reflecting the level and scope of the work between our states. But I believe that everyone here has a wide conception of these relations.
Yesterday several new agreements were signed and I consider them to be the great steps in the field of Azerbaijan - Great Britain relations. All the meetings were held in a friendly and kindly atmosphere and the parties expressed their hospitality.

Today I met the Queen of Great Britain and had a very interesting conversation with her. I believe it to be a historical event for Azerbaijan and my people. The meeting with Prime Minister Tony Blair was conducted in business-like and warm climate and was fruitful. He analysed the relations between our states and we took joint decisions on future plans. The Prime Minister was very interested in the transport routes in Azerbaijan and the Caucasus region, in Europe- Caucasus-Asia. We established very good contacts with the Prime Minister and I believe it will be beneficial for the further relations between our countries. Tony Blair and myself signed a declaration on the development of friendship and cooperation between our states. This declaration covers all the spheres of our cooperation. Articles of the declaration cover political, economic, scientific, cultural and humanitarian fields. We found a unanimity of views in both our economic and political positions.

Alongside this we signed four agreements and some other documents were discussed at the residence of the Prime Minister. The agreement signed between the State Oil Company of the Azerbaijan Republic and BP has great potential in the future. I emphasise that the transactions concluded by the State Oil Company of the Azerbaijan Republic and BP on joint development of the three Caspian fields will have a brilliant future. I consider that the agreement signed between Azerbaijan and British Petroleum will determine our economic relations by the end of the 21st century.

I am glad that along with such companies as BP, the newly established "Monument" company took its proper place in Azerbaijan. The treaty Azerbaijan signed with other companies is also very significant. "Ramco" company has operated in Azeri offshore fields. They asked for the right to work at the very perspective structure "Murdakhanli" and today they signed a contract with State Oil Company of the Azerbaijan Republic on exploration of the field.

You know, privatisation is being carried out in Azerbaijan. The private sector is now developing very rapidly. From this point of view a contract on construction of a big hotel and trade centre in Baku signed between "Morrison" and Baku Municipality is a good proof of it.

Speaking of the oil industry, I would like to remind you that Azerbaijan is an ancient oil-producing country. At the beginning of the century 90 percent of the world's oil was extracted in Azerbaijan. Yesterday at my meeting with the representatives of the "Shell" company, they informed me of that the company has been in existence for 100 years and presented me with a valuable book. I was shown a map in the book proving that in 1892 "Shell" transported Azeri oil for the first time via the Black Sea to European countries.

As one of the soviet republics, Azerbaijan took part in the World War II in 1941-1945 and made a big contribution for the victory over fascism. In those
years 70 percent of Soviet oil was produced in Azerbaijan. The first offshore oil was produced in 1949.

But now we need to introduce upgrade techniques and technology in our oil industry. The joint oil fields exploration launched with your country and other countries of the world is profitable for both sides. We have already discussed the co-operation between our states; we will continue these talks in future and do everything necessary for the development of ties and relations between our countries. You country has very ancient customs. Sometimes you are not quite satisfied with them and even want to change them, but we respect all your customs, realise their advantages and would like to introduce them in Azerbaijan.

We proceed with the process of creating a law-based, democratic, world-class state in Azerbaijan. We have established a market economy, and we continue the privatisation process. We have achieved a lot of results in this sphere. The economy is developing now in Azerbaijan. But we have a lot of work to do. So we try to apply your experience - social and economic - in Azerbaijan. That is why these talks and meetings are especially important for us.

Our countries are located far from each other. But in recent years the projects we have launched have drawn them much closer to each other. We consider it a positive change and want to establish closer connections connection and will spare no efforts to achieve that.

You also face a number of problems. The government, formed last year, launched diverse steps. We watch this process attentively and congratulate you on your achievements. No doubt you will be able to cope with your problems.

The United Kingdom is one of the biggest countries in the world, it is entered into the list of economically developed countries. It has a great history and remarkable achievements.

I wish your country new achievements in the future.

I wish all of you good luck. I wish you and your country peace and safety. I wish that Azerbaijan -United Kingdom relations develop faster.

Please, raise your glasses to the United Kingdom and the people of the country, to the United Kingdom's Queen and government, to the future development of Azerbaijan -Great Britain relations. To the Lord Mayor of London and his spouse. To you my dear friends. Good bye. I wish you once more success and happiness.

Over 300 representatives of many countries of the world gathered at the international conference "Doing Business in Azerbaijan" organised by Great Britain's ABC Company in the Royal Garden hotel on June 22.

Although participation was not free several foreign authorised companies sent their representatives to the international conference.

Heydar Aliyev, Azerbaijani President, attended the conference. The partici
pants greeted the Azerbaijani President with applause.

The president of Great Britain's "Monument Oil and Gas" company Tim Eggar, opening the conference said:

I welcome you. I am very grateful to you for your participation in this important conference.

I know that representatives of foreign countries participating in the conference are looking forward to the speech, which you and Great Britain's Prime Minister will deliver. I would like to introduce Great Britain's Minister of State at the Foreign and Commonwealth Office Doug Henderson to the participants. As a minister of Great Britain he is responsible for Azerbaijan -Great Britain relations.

Mr. President, Mr. Henderson organised an official reception in your honour on the first day of your visit. In 1997 he was elected a member of Great Britain parliament from the Newcastle area. Due to his position he is responsible for policy on the region and he has shown a personal interest in Central Asia and the Caucasus.

As far as I know, Mr. Henderson has one weak point. He is a good runner. There is some talk at the Great Britain's Foreign Office that the results he gained in his position depend on results he showed on the running track. There is some truth in the rumour. Because when other politicians come to Caucasus region matters they are left far behind.

Mr. Henderson, we all greet you. We would like to hear you. Would you be so kind as to say some words.

Speech of the Minister of State at the Foreign and Commonwealth Office

- Mr. president!
- Mr. Ministers!
- Dear guests, Ladies and Gentlemen!

Dear chairman, I am obliged that you gave me the right to speak at the conference. I am proud to speak for the participants of the conference dedicated to Azerbaijan.

I am glad that I met Azerbaijani President on the first day of his visit and that today I see him again. On the final day of official visit we will meet again in the Edinburgh palace.

I would also like to greet the minister accompanying Heydar Aliyev and other officials and representatives of Azeri business circles.

Mr. Tim Eggar if you want to join us we can start a 10 kilometer race to the palace tomorrow.

I would like to express my gratitude to the organisers of the conference "Business in Azerbaijan" and Tim Eggar for their invitation.

Mr. Eggar is not only the chairman of the morning session of the international conference but he is also chairman of the Anglo-Azeri Society. Mr. Eggar
is participating in the conference due to the works he has performed in the field of development of Great Britain- Azerbaijan relations.

When you think about Azerbaijan the first thing you imagine is hot, dry weather and oil, unlike Great Britain. Azerbaijan's history is closely linked to oil. The first oil well in Azerbaijan was drilled in 1848. The storage of Azerbaijan oil reserves stands at about 27-60 million barrels. Azerbaijan is known as one of the biggest oil extractors in the world and the country possesses great potential.

Azerbaijan's rich experience in oil fields allow it to teach us. Of course, we can share our upgrade technology with Azerbaijan. Several British companies together with SOCAR have launched joint explorations of Azerbaijan's new oil fields and are trying to rehabilitate some oil fields, where work had stopped. We possess large experience in exploration of offshore strata of the North Sea. And it will allow us to apply our experience to the works launched in the Caspian Sea deep strata.

Yesterday the companies BP, "Monument Oil and Gas", and Ramco signed three more contracts at the residence of Great Britain's Prime Minister in the presence of Tony Blair and Heydar Aliyev.

At the Prime Minister's residence the "Morrison" company and Baku-city executive power signed a joint declaration of the plan concerning the construction of hotel-office complex in the Azerbaijan Republic - on Baku's shoreline.

Of course, besides the oil sphere there are other fields for co-operation with Azerbaijan. For instance there exist there conditions to invest large amounts of capital in infrastructure improvements, in telecommunications, construction of electric power stations, agriculture, trade and many other areas. British companies are taking an active part in projects concerning water equipment, reconstruction of the telephone network and the construction of airports. Great Britain's government intends to develop Azerbaijan -Great Britain relations in the political sphere as well as in the economic sphere. During the short period after gaining independence Azerbaijan has notched up many achievements and come a long distance.

Mr. President, I sincerely congratulate you on the results that you achieved in the social and economic sphere. All the achievements play an important role in introducing reforms for the creation of a strong and attractive business environment. We believe that Azerbaijan will play an important part in establishing security in the complex Caspian region. We are ready for close co-operation with President Heydar Aliyev in the name of the future prosperity of Azerbaijan as well as neighbouring countries.

We consider that the most important thing is the regulation of the Armenian-Azerbaijan conflict in Nagorno-Karabakh. The international community has already expressed its attitude to the problem and takes the principles accepted at the OSCE's Lisbon summit in 1996 as a basis for settlement of the conflict.

As you know, the economic achievements of Azerbaijan, from the macro-economic point of view, in all spheres are striking. Per capita income in Azerbaijan is expected to rise 5-10 percent this year. Presently, Azerbaijan is
active in all spheres of its economy. Co-operation with the International Monetary Fund and the World Bank have attracted foreign capital investments to Azerbaijan's economy. I am sure that other public speakers reporting at this conference will present wide information about these achievements.

I suppose that the reforms of Azerbaijan's state sector and the preparation of relevant laws and regulations need some more time and patience. The centralised economy experience of 70 years cannot be changed in one day.

It is obvious that Azerbaijan has some difficulties now and will face some difficulties in the future. That is natural. But some steps should be taken within the legal system for the liberalisation of foreign investments. Some work needs to be done in introducing reforms in the market economy, some work should be done in tax policy, the banking system and privatisation.

Since 1991, when Azerbaijan gained its independence, a lot of work has been done, but there is still a lot of work to do. This conference devoted to Azerbaijan will create the conditions for exchanging views and experience. I believe that frankness is the main condition for colleagues. I want to present two points especially to my Azeri friends. I suppose first of all there should be clearness and frankness in legal and regulatory reforms. They should be accepted regularly without any delay. On the other hand the tax system should not harm economic development. It should be an incentive factor in attracting foreign capital to Azerbaijan.

We hope that new tax laws will bring clearness into the accounting system also. But there is no need to hurry in introducing alterations to the legal system. At any rate a good law even if it is adopted late is better than a law approved in haste.

I know, that President Aliyev pays much attention to the work of the Azerbaijan-Great Britain Commercial Council. This council was established in 1996. Great Britain's government also watches the investment allotted to Azerbaijan and the work of the Great Britain-Azerbaijan Council.

You can get wide information from the Export-Credit Department about the large number of companies that want to work in Azerbaijan. Full information on trade and commercial companies may be also received from the Transcaucasia and Central Asia department of Great Britain's Commerce and Industry Ministry. At the same time, Azerbaijan's embassy in London and Great Britain's embassy in Baku can provide you with the necessary information. I ask every person who is interested in trade and investment to knock at the doors of the embassies and get the necessary information.

I think Azerbaijan should work on the intensification of co-operation and the creation of better conditions for investment. I hope that Azerbaijan's economy corresponds to the interest that companies express in it. Azerbaijan has to perform regular work in order to be able to meet its full potential. We believe that Azerbaijan has even more potential. For this reason Great Britain intends to develop relations with Azerbaijan as much as it is possible and co-operate in economy, trade, business and other fields on the basis of these relations.
I was happy to deliver a speech to the "Business in Azerbaijan" conference and to greet Heydar Aliyev. Thank you very much.

Tim Eggar: Thank you for your speech. Thank you for greeting President Aliyev. Thank you that you did it on behalf of Great Britain's government and said that Great Britain's government intends to continue its joint work with President Heydar Aliyev and Azerbaijan's government in future in the political sphere. Really, thank you.

Mr. President, it is an honour for me to give you the floor. Mr. President, even a casual visitor coming to Baku from time to time is able to see the great positive changes and economic progress achieved over the past few years. Your foresight, dare I say the bravery, you showed while signing the "Contract of the Century" was an impetus for foreign investments allotted to Azerbaijan. The capital determines the bright future of the country. Your decision was met with special sympathy and esteem in the United Kingdom. The decision made BP a real partner of Azerbaijan and inspired a number of British companies to come and establish offices there.

At present over 100 companies have opened their offices in Azerbaijan to launch work and are involved in projects on different levels. We, the British, are proud that so many companies from our country are involved in work in Azerbaijan.

British companies are successfully taking part in the realisation of a number of projects in Azerbaijan. In particular we are proud that British companies are participating in the projects of Azerbaijan International Operating Company and we are inspired by that.

Mr. President, we realise that all this was impossible without your foresight and courage. You really made a great contribution in attracting world countries, especially Western countries to Azerbaijan.

Mr. President, this year the Azerbaijan Peoples Republic marked its 80th anniversary. I can say resolutely that you are the organiser and founder of the second real independent republic in Azerbaijan. You established independence. All the present achievements in Azerbaijan are connected with you.

Mr. President, we, the friends of the Azerbaijan Republic in Great Britain express gratitude to you for all this.

And now, dear President, I give you the floor.

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**Speech of the Azerbaijani President Heydar Aliyev**

- Dear Mr. Chairman!
- Dear Mr. Minister!
Dear Ladies and Gentlemen!

I am glad to greet you in London, in this luxury palace and wish success to the conference.

I am on an official visit to Great Britain, in London on the invitation of Prime
Minister Tony Blair. Today is the third day of my visit. During the past two days of my visit I was able to do a lot of work for the development of relations between Azerbaijan and Great Britain in the future and I am satisfied with it very much.

In particular, my meeting with her Majesty was very important for me. My meetings with Prime Minister Tony Blair, the negotiations, and conversations and finally the joint documents we signed opened a new stage for the development of Azerbaijan Great Britain relations in the future. I want to say that I am satisfied with my work and my visit. I am obliged to the United Kingdom government, ministries and organisations for their attention and care during my visit and for the creation of a friendly, working atmosphere.

This international conference is very important for me. Because today there are businessmen, people who want to work in Azerbaijan not only from Great Britain, the United Kingdom, but also from many other countries of the world. So I express my gratitude to the company that organised the conference. I hope that we will fulfil the assignments and objectives of the conference.

Dear Mr. Minister, you opened the conference with your speech. Of course, the presence of a Minister of the United Kingdom and his speech at the conference make it more valuable. Thank you dear Minister for the relations between Azerbaijan and Great Britain, for the words you said about Azerbaijan and the efforts you made for development of those relations.

Mr. Minister, I fully agree with all the ideas you said and I can attest that during the last four years a lot of work was done so that relations between Great Britain and Azerbaijan could develop in all spheres, especially in economic cooperation.

Taking the achievements and the work carried out into account we can think of future plans and press ahead with our joint work.

Dear Ladies and Gentlemen! Azerbaijan is a country located in the Caucasus. Over the course of many centuries the Azeri nation was devoid of independence, freedom, but at last, in 1991 as a result of the disintegration of the Soviet system Azerbaijan gained independence, national freedom. It is already six years now that Azerbaijan has been living as an independent country. But the years were not easy for Azerbaijan. All the former Soviet States gained independence after the disintegration of the USSR and now they are in a transitional period. I can tell you that all the former Soviet republics abandoned the communist ideology, Soviet policy, the command economy and the state system. According to my calculations all former Soviet states have tried to turn to the market economy to a greater or lesser extent. So the transitional period is very difficult for all the states.

This period is especially difficult for Azerbaijan. There are reasons for this. One of the reasons is the fact that when Azerbaijan gained independence it was in a military conflict with Armenia. Even in 1988, our neighbour Armenia decided to occupy the small Nagorno-Karabakh province (because a considerable part of the population were Armenians) and annex it to Armenia. As a result of its action a conflict arose between Azerbaijan and Armenia which then escalated.
into military conflict. In 1991 Azerbaijan and Armenia were involved in war, engaged in battles.

It is a feature distinguishing Azerbaijan from other countries. It has had very bad consequences for Azerbaijan, for all of us. During the war Armenian armed forces occupied (undoubtedly, with the help of a number of large world states) 20 percent of Azerbaijan's territory. Nagorno-Karabakh and the neighbouring region were occupied by Armenian armed forces and over one million of the Azeri population was internally displaced from their homes. For more than six years now most of them have been living in bad conditions in camps.

It is one of the factors that made Azerbaijan's situation worse during the transition period. The second factor -the above mentioned war and the presence of various kinds of illegal armed forces, criminal groups involved in a fight for political power- caused an unstable, difficult political situation.

These two factors, after Azerbaijan gained independence, interfered with the political, economical and other measures of an independent state and sometimes postponed them. But now I can say with confidence that we have overcome these factors or even eliminated them. In May 1994 we were able to stop the war between Azerbaijan and Armenia. The countries signed an agreement on cessation of hostilities and for more than four years there has been no fighting, no battles, blood is not shed, there is no war.

But there is no peace also. We want to settle the Armenia-Azerbaijan conflict in Nagorno-Karabakh peacefully by means of the OSCE group and we are conducting negotiations. These negotiations have brought some results, but the main conflict is still not eliminated. But I hope one day we will be able to do just that.

We are able to cope with the social situation in Azerbaijan and keep it at an acceptable level. The illegal armed groups, criminal groups and different political groups were disarmed. As a result of this policy the social situation in Azerbaijan has been stable since 1995.

The first constitution of Azerbaijan was adopted and the first parliament was elected in November 1995 on the basis of democratic elections. On the whole we strive to make up for the time we lost during the first years of our independence and to overcome it by fast development and we have attained some results.

All the above mentioned enabled Azerbaijan to establish ratified, mutually-beneficial contacts with all the world's countries. In particular, at the present moment Azerbaijan has established economic contacts with many countries in the world.

Azerbaijan's rich natural resources, its economic potential and its geographical location are very interesting for many countries of the world. We welcome the interest and are trying to improve the attractiveness of Azerbaijan because we see that Azerbaijan's future lies in integration with all countries in all spheres especially the economy.

We are trying to establish a democratic, law-based, world state in Azerbaijan.
The government is following the democratic path. We follow that path and I think we have achieved some results. We are trying to develop an independent economy, market ownership, to integrate into the world economy and to establish a market economy on the basis of all these.

There is a great deal of achievement in this sphere. The formation of the state and the economic policy we have carried out, the way we chose, are connected to each other - all the spheres should be democratised, democratic principles should be applied to policy, the economy, public life. These democratic reforms have already affected the whole situation in Azerbaijan.

As the result of this policy interest among all developed countries in Azerbaijan increases day by day. And it is not only interest. A lot of offices launched have opened there and we are witnessing results.

The chairman of the conference and dear Mr. Prime Minister told us about, I think, the high level of economic relations between Azerbaijan and the United Kingdom, about the activity carried out by British companies in Azerbaijan during more than 100 years. It is true BP and other companies invested considerable capital in Azerbaijan. British companies took an active part in the contracts of the State Oil Company of the Azerbaijan Republic established in connection with first oil contract "The contract of the century". The companies received orders at the rate of $350 million under the contract and are working successfully in our country.

All the above mentioned is to introduce the situation in Azerbaijan. We would like to develop all the projects in every sphere in future. Our Ministers will speak about the economic situation, the conditions for attracting foreign capital, the achievements gained by means of reforms in this sphere, and they will present figures. Taking the opportunity I would like to say some words.

We support investments in Azerbaijan, development of private ownership and the market economy in Azerbaijan's economic strategy. First of all, we adopted the necessary laws. Over 200 laws were adopted in order to establish ownership principles, improve the financial and tax system, to introduce reforms in agriculture, liberalise foreign trade, and to free up the economic system. The laws cover a member of fields. A particular part of them is aimed at protecting foreign capital.

These laws and their introduction created these economic conditions in Azerbaijan. Economic changes are made in all fields in Azerbaijan. I think our achievements in the sphere deserve attention. The privatisation process is continuing. We are also introducing reforms in agriculture and I can say that the reforms are the most resolute among the countries of the Commonwealth of Independent States. We drafted laws on giving land into private ownership, and on the right to sell and lease the land and implemented those laws. The agriculture changes introduced over a short period - the last 2 years - have brought results. Now almost all cattle-farms are privatised and land is given to owners in the villages and they use them rationally. Due to the changes during the last six months agri
culture developed by 4 percent as compared with the 10-15 percent annual decline during the last 7-8 years.

The reforms in industry and economic spheres are also proving effective. Azerbaijan overcame the decline of the past 7-8 years and in 1996 industrial production increased for the first time by 1.3 percent. In 1997 it rose by 5.8 percent and in the first six months of 1998 it rose 9 percent. Just imagine that from 1960 until 1990 total commodity output fell 20-25 percent and in 1996, 1997, and 1998 it was overcome and we achieved considerable results.

Azerbaijan is a large industrial country, our industry consists of many sector. Most of them were parts of the former common Soviet industrial system. But at that time the Soviet system created such conditions that our industrial producers were closely connected to other regions. After the lessening of these links, the demand from Russian markets for Azeri goods fell or even ceased altogether and the work of Azerbaijan's industrial sector was complicated by that.

Due to these facts and other conditions in recent years Azerbaijan industry decreased and industrial output fell by 20-25 percent. But in 1996 this decline was stopped and in 1997 Azerbaijan's industrial output slightly increased by 0.3 percent. In 1998 the industrial output rose 0.7 percent. It is a modest result, but as compared with the 20-25 percent fall it is, undoubtedly, considerable. It was possible due to the reforms we introduced.

The financial system is also undergoing alterations. For instance in 1994 inflation reached 1600 percent in Azerbaijan. In 1995 the figures were approximately 600 percent. In 1996, I can say, inflation was already manageable at between three and four percent. In 1997 it was 0.4 percent, in the first six months of this year it was 0.6 percent. I think we can feel proud with these results.

As a result, the national currency of Azerbaijan became stable, and it becomes more constituent year by year.

We also chose to make the currency freely convertible in our country. We introduced liberalising principles in Azerbaijan's financial and currency system and it is bringing results.

I have mentioned above that we adopted laws to promote foreign capital investments. Listening to the Minister I understood that you are waiting for some additional measures. I know what you mean, but I consider that all the necessary conditions are ready. But I announce to you that we are on the development stage and we try to improve all conditions and they will improve year by year. If you have some suggestions on the present and future development of our economy in the direction we follow we are ready to elaborate it and take necessary steps.

You have to know that conditions for foreign companies to come and work are ready in Azerbaijan. Now approximately 1500 foreign companies work in Azerbaijan. It is not a small figure, but their number is rising and will rise in future. Our laws also promote the work and capital repatriation of foreign investors. Thus they can work here and take the income to their countries. If we have to create additional conditions we are ready for that.
The considerable part of foreign capital is invested in Azerbaijan under the oil contracts signed since September 1994. You know that in September Azerbaijan signed an oil contract with the major global oil companies, in particular with BP. It was called "The Contract of the Century". Eleven companies established a consortium for joint development of the Azeri, Chirag and Gunashli fields of Azerbaijan.

The contracts are now being carried out. You know, last November we extracted first the oil and exported it to the world markets. We were able to construct the Baku-Novorossiysk oil pipeline and exported oil via it. Another pipeline from the Georgian Black Sea port of Supsa is under construction. The pipeline will be put into operation next year.

Signing the contract we considered (according to the preliminary calculations) that we will extract 500 million tonnes from the field and we needed $8bln investment in the project. But in the process of work the prognoses changed. It is known that 630 million tonnes of oil will be extracted instead of 510 million. It is no wonder because five wells spurted at the Chirag field and each of them is expected to give 500 tonnes of oil a day. But now every well is producing 2,000 tonnes daily, which is four times above the target. Twenty-four wells will be drilled on the fields. More wells will be drilled on the other fields. So you see that 630 million tonnes is not the last figure, it may change.

Our policy and laws in the fields are proving their value. Since September 1994 we signed contracts on joint development of the rich Azeri fields in the Caspian Sea. Up to yesterday there have been 12 contracts. The first contract was signed in September 1994. But yesterday we signed three more contracts in London in the residence of Britain's Prime Minister.

Firstly, Great Britain's BP and Norway's "Statoil" signed a contract on joint development of the Araz, Alov and Sharg prospective structures with the State Oil Company of the Azerbaijan Republic.

The second is the Inam oil field. Great Britain's "Monument Oil and Gas" and the State Oil Company of the Azerbaijan Republic signed a contract on joint exploration of that field. At the same time USA's "Amoco" and Russian company "Central field" are participants in the contract.

The third contract covers the joint development of the onshore fields of Murdakhanli, Djafarli and Zardab prospective structure and was signed between Great Britain's Ramco and the State Oil Company of the Azerbaijan Republic.

So the number of the contracts has now reached 15. But there are also other companies that are showing interest in the fields in Azerbaijan. I hope the process will continue.

The figures are changeable, but I can say that between 26 and 28 companies from 14 countries are involved in joint work on Azeri oil fields. I think all these will promote partnership between Azerbaijan and foreign companies and countries from the beginning until the end of the 21st century and will create a basis for the future.
In short, our work in this sphere is bringing good results in itself. It also demonstrates the conditions for work created in Azerbaijan. Now all the companies have opened their offices in Baku. Their number is rather big in Azerbaijan now. I met here new companies also, which intend to open offices in Azerbaijan soon, in a month or two. I accepted the offers, liked and welcomed them. All the conditions in Azerbaijan are ready for foreign companies and will be improved.

What does it mean? It means that Azerbaijan is open for foreign companies; for foreign investments and trade alike. For instance for liberated foreign trade. As a result of liberalisation our foreign trade turnover has increased. Last year it comprised $1,600 million. But only a few years ago it was impossible to speak about such figures.

The customs' tariffs are low in Azerbaijan, it cannot be more than 15 percent. Undoubtedly, it promotes good conditions for relations with foreign countries, as well as for commodity turnover and trade.

I can say proudly of the investments in Azerbaijan that the foreign investments scope and per capita income in Azerbaijan takes first place among the Commonwealth of Independent States countries.

Foreign investments per capita in Azerbaijan are $160. It is the highest figure as compared with CIS countries.

The private sector has also developed in our country. We created the relevant conditions for that. We are introducing this programme to agriculture and are getting good results. Privatisation is proceeding with 1800 small enterprises privatised. Now we have launched the privatisation of medium scale and large enterprises. About 1200 medium and large enterprises have become stock companies. The stocks of 700 enterprises have been distributed. These figures show good results.

If you take into account that the privatisation process was commenced in 1996-1997 you will see the considerable results achieved in that period. Due to the development of the private sector 50 percent of the gross domestic output last year was accounted for by private sector share production. The share of private sector output in agriculture was 85 percent. It proves that the private sector has taken its place in Azerbaijan and consolidated. If it was not for our laws and regulations the private sector could not improve like this. Of course, it is only a start. But this start opens a lot of prospects and hopes.

We are in close partnership with the World Bank, the International Monetary Fund, the European Bank for Reconstruction and Development and other acknowledged banks and we receive credits from them. I can say that our foreign debts are minimal. Our foreign debt approximately comprises $500 million. Our foreign debt is equal to ten percent of our Gross Domestic Product. The foreign debts consist of the long-term and profit credits granted by the World Bank, the International Monetary Fund and other financial institutions. We have no other foreign debt.

I can say that although we face certain difficulties within our republic, we are
not allowing Azeri debt to rise and we are trying to cope with it by using domestic resources and the profit from our joint work with foreign companies.

Now we are co-operating closely with the World Bank and the International Monetary Fund. They inspect our results and our reforms. I can say with satisfaction that they give high marks to our work - both for reforms and achievements. When the representatives of the World Bank and the International Monetary Fund came to Azerbaijan and our representatives visited the World Bank and the International Monetary Fund in Washington they cited our results as an example for all CIS countries.

Of course, we should not rely on them. Giving you this positive information I do not consider we have achieved good results. No, we are just at the start of the path that we have chosen. You should know that we have a clear understanding of the path we are going down.

Our path is a path of reforms. Our path is a path of developing the market economy, of business development. As a whole, our path is the path of establishing a free economy in Azerbaijan, equal rights, and the completion of privatisation process. We are on this path. It is not an easy path. We are not dreamers and do not expect to travel this path in a short time period. Many countries, especially economically developed countries, have been in a transitional period for decades and even centuries. We try to face reality. But the most important thing is that we believe that the path is effective and that it will bring results.

The intrinsic economical potential of Azerbaijan - both the economic and intellectual potential used in our joint work with foreign companies, in the rational use of foreign capital - will promote a high economic level.

We will try to enhance the value of the property of the people of Azerbaijan by these means.

Giving you this information I ask you to do business with Azerbaijan without delay. The social -political situation is the first condition for any foreign investor. It has stabilised. I assure you that the following years will also stabilise the situation.

I have already told you that we approved over 200 laws for attracting foreign capital to Azerbaijan. The necessary laws will be also adopted later. We will continue the liberalisation process in the economy. Our country is open. Anyone who wants to conduct healthy business with Azerbaijan is welcome and all the conditions are ready for this.

Dear Ladies and Gentlemen!

I think this meeting is very important. Taking advantage of the opportunity I told you about Azerbaijan and expressed my thought and wishes.

I wish you every success. I wish you good luck in establishing contacts in Azerbaijan and their development. Thank you for your attention!

Tim Eggar: Let me express gratitude for your clear and interesting speech on behalf of the participants.

Dear participants of the conference, Heydar Aliyev kindly and modestly
agreed to answer our questions. I ask those who will ask questions to raise their hands and introduce the country and the company they represent.

Please ask fast and short questions, so that more questions may be answered.

Azerbaijani President, Heydar Aliyev answered the questions of the participants.

**Question:** Good morning. My name is Dany Disem. I am vice president of the Israeli "Makala" company. Our company actively deals with CIS countries and particularly with Azerbaijan. We are working on a project concerning technical regulation with the "Azal" concern. But we would like to extend our cooperation in other fields. To tell the truth we are interested in work in the oil industry. But the main problem is - we could not establish contacts with the State Oil Company of the Azerbaijan Republic or other companies of Azerbaijan. It is our main problem.

My question is how can we establish contacts with SOCAR or any other oil company of Azerbaijan?

**Answer:** President of State Oil Company of the Azerbaijan Republic Natiq Aliyev is here. He is five metres away from you. You can ask him any question you like.

**Question:** I am from Reuters agency. It is known that as per the preliminary calculations $315 million was needed for the Baku -Supsa pipeline, but when construction was launched it demanded more investments. How will you cover the difference?

**Answer:** Undoubtedly it is a question that should not be put to me, but as I am aware of the fact I can answer it. The project is financed by the Azerbaijan International Operational consortium. AIOC allotted $315 million to the Supsa pipeline, but then during works they discovered that the $315 million amount is not enough and it should be at about $590 million. It is their business. If they made a mistake and were not able to give the right estimation, the right forecasts then they have to decide how to finance the project themselves. There is no problem.

**Question:** I am from "Prizma Invest" company. Azerbaijani President gave us comprehensive information on foreign investment in Azerbaijan and the conditions aimed to attract investments. My question is: which institution should any person who intends to work in Azerbaijan turn to?

**Answer:** There are certain persons in our government who deal with that. Every ministry deals with investments in its sphere. The investor has to contact the Ministry responsible for the sphere he is interested in. The Cabinet also deals with the matter. It is necessary to contact them. I cannot say exactly now what Ministry each investor has to contact. Most of our Ministers are taking part in the conference and you can meet them. But when arriving in Baku you can find any address. It is obvious that most of the investors contact the Azerbaijan president directly and I try to spare time and receive them because I am interested in the process. It is not a problem.
**Question:** My name is Gultekin Ard. I am from the "NK construction" company. Mr. President, it is said that during your stay in Japan, the Japanese banks promised to grant profit credits for the construction of electricity power stations. Will you use part of the credits for the gas pipeline projects?

**Answer:** Firstly I would like to say that your information on my visit to Japan is exaggerated. I really held good meetings in Japan. Japan's government granted Azerbaijan preferential credits. These credits have concrete destinations. We received a long-term credit of $160 million for construction of the "Shimal" electric power station. The "Nichmen" company granted about $80 million to Azerbaijan for the production of ethylene at a chemical complex. Our relations with Japan will also cover other fields in future.

You asked about construction of the pipelines. We launched certain works for upgrading the domestic gas system. But now Azerbaijan has no means to export gas yet. We commenced exploration of the Shah Deniz field with BP. A large volume of gas is expected to be extracted there. But it will happen only 5-6 years later. Undoubtedly when we extract large volumes of gas we will think about how to export it. Thank you.

**Question:** The last short question. Please comment on the declaration signed yesterday with the Prime Minister.

**Answer:** The political declaration is a programme for the development of friendly relations and partnership between our states. Tony Blair and myself concur in our opinion that Azerbaijan - Great Britain relations have to develop rhythmically in the political, economic, scientific, cultural spheres and in all other spheres. They all are reflected in the declaration. The political declaration announced that the government of the United Kingdom recognises the integrity of Azerbaijan's territory; and supports the peaceful resolution of the Armenia- Azerbaijan, Nagorno Karabakh conflict on the basis of principles accepted at the OSCE summit in Lisbon. The Prime Minister accorded high marks to the strengthening of the Azeri government and the achievement of stabilisation and economical growth. All this is very important for the strengthening of Azerbaijan's independence. Therefore we rate this political declaration very highly.

**Tim Eggar:** Thank you for very much for your answers. The answers of a country's leaders are important at such conferences. In general, such awareness and full answers from the leader of a country is unusual. We are obliged to you. Now I see that ambassador Mamed-Kuliev is worried about the next meeting of president. I would like to remember you on behalf of the ambassador that the next meeting is beginning.

I hope that the next representatives will speak widely about Azerbaijan, about investments in Azerbaijan. I hope that the participants will talk about the conditions created in Azerbaijan for investors.

Mr. President, I express gratitude on behalf of all the representatives once more. I consider that your presence attached special importance to the conference. Thank you, Mr. President.
Later that day the Azeri president, Heydar Aliyev, met Azeri compatriots living in Great Britain, in Azerbaijan's embassy in Great Britain. The President of Azerbaijan, Heydar Aliyev, delivered a speech.

- Dear compatriots and friends!
- Dear Ladies and Gentlemen!

It is the third day of my visit to London. We had a number of meetings here. Today I can say that my official visit to the United Kingdom is a success. My meeting with her Majesty, the Prime Minister, the talks, conversations and documents we signed have created a good basis for the further development of Azerbaijan - Great Britain relations. Great Britain and we believe that it has opened a new stage in the development of our relations. It is very significant for Azerbaijan, our new independent state.

You know, in order to prove our independence, immortalise and make it unshakeable, we have to show to the world community what kind of state Azerbaijan is and what state it will be in future. In the past Azerbaijan was a part of Tsarist Russia for two centuries and later a part of the Soviet Union, although Azerbaijan's oil industry, culture, music and scientists were developed it was not acknowledged as a country, a state.

In 1918, when for the first time People's State Democratic republic was established in Azerbaijan, the world was quite different. The attempts of the government to introduce Azeri statehood were symbolic. It is natural. Some countries recognised Azerbaijan's independence but no other steps were possible. Because those years they were difficult and hard.

And I say again, though Azeri culture, music, poets, writers, artists and historical monuments were very important and valuable for us, for the Azeris, we were not able to introduce Azerbaijan to the world. And it was impossible in those times. On the other hand Azerbaijan has no compatriots or authorised political and economic representatives in other countries especially in Europe and America, i.e. in the countries which influence world policy. So now after Azerbaijan gained independence we should introduce Azerbaijan and show Azerbaijan to the world's countries, popularise Azerbaijan every day, every month to the countries that determine the world's policies and the global economy and reject the false information about Azerbaijan. That is a very important assignment for us along with the other tasks.

'With this objective in mind I visited many countries during the last five years, conducted meetings, and signed important documents and agreements on developing relations between other countries and Azerbaijan. Now Azerbaijan is acknowledged in the world, day by day it attracts more attention and Azerbaijan's importance for other countries is obvious.

All my works are done with this purpose. Undoubtedly I am not here to introduce Azerbaijan, but to develop our relations with Great Britain in all spheres and it is the third day of my visit. I say once more that the work is a success. I am satisfied with my meetings, talks, the agreements achieved and the
documents that have been signed.

You are representatives of Azeris living in Great Britain. Azeris live in many countries of the world. I have been in the post of Azerbaijan president since 1993 and I always note that one of the problems of Azeris living in different countries is that our compatriots cannot create close contacts and join together in the name of Azeri solidarity.

One of the world-wide problems of Azeris is our problematic neighbour - Armenia. Armenia since ancient times has wanted to occupy Azeri lands and join them to Armenia. Now Azerbaijan has been in a military conflict with Armenia for 10 years already. On the other hand Armenia has its Diaspora in most countries of the world, in particular in large, developed countries.

We are undertaking complex arrangements to introduce and propagandise Azerbaijan to the world. But Armenia has no need to do this. The Armenian Diaspora living in America, England and France do this for Armenia. The number of the Armenians in these countries is rather big. While living in these countries they created good conditions, took positions for themselves and possess great wealth. Using all this opportunities they raise Armenia's image, the image of a small country that always tried to occupy our lands, and they live with the spirit of aggression.

Just imagine, Armenia has been attacking Azerbaijan since 1988. But most countries accuse Azeris of not allowing Armenians to live in Nagorno Karabakh, of oppressing, tormenting and killing them.

But actually it is not true. The truth is that Armenians always lived in Azerbaijan in prosperity. The living conditions of the Armenians living in Azerbaijan were much better than conditions of the citizens living in other regions. And Armenians commenced the conflict. In 1988 they launched the conflict with the objective to separate Nagorno Karabakh from Azerbaijan and connect the district to Armenia. But Armenia's propaganda created quite a different situation. The propaganda made other countries think that Armenian is a poor, oppressed nation and that the Turks tried to annihilate them in the past. They spread information that now Azeris are annihilating them and they need help.

And now it is important for Azeris as an independent state along with other political measures to unite and show solidarity. It is necessary to unite in the name of Azerbaijan, our nation, and our independent state. There are Azeri Societies here, the ambassador informed me that there are several societies here. All these societies were established independently without any instructions. It is natural that I cannot say anything about it. I just wish that all Azeris in Azerbaijan and abroad in other countries would unite. If we can attain this and the Azeris living in other countries can take the relevant position we will discover that the number of Azeris is not less than the number of Armenians. But there is such a notion as quantity and quality. It is better if the quality is good. But actually the number of compatriots is not important. It is better to be small
in number but strong than to be weak but large in number

Last year I felt changes. For instance on the first day of my visit we attended meetings of the Anglo-Azeri Society. Some of you possibly were there. Four years ago I was here in February 1994 and then none of this was observed. But now England, Great Britain, is aware of Azerbaijan as a state, the Azeri nation is acknowledged and they want to establish contacts with Azerbaijan.

Now I am here again, at 9 o’clock we held an economic conference, over 300 people attended it. They were not common people but businessmen. The organisation launched the preparation of the conference 6 months ago. The entrance and participation is not free, the participants pay money otherwise they are not allowed in. The participants were not only from Great Britain but also from many other countries of the world. And the fact that they spared time and came to the conference shows increased interest on their part in Azerbaijan. Now the number of British companies in Azerbaijan comprises 100 and the number is rising gradually. I met many representatives; some of them said they have representatives in Azerbaijan others that they are going to open offices in Baku soon, some in ten days and others in a month. All of them ask me to visit their offices and take part in their opening. They intend to do business in Azerbaijan and they see relevant conditions for that in Azerbaijan. They want to come and work in Azerbaijan. So our work over four years has brought good results.

And this is only beginning of the work. The Azeri economy possesses big potential. Azerbaijan attracts businessmen and big companies from many countries. I have mentioned above that all those countries intend to receive a good profit in Azerbaijan. It is not out of a fascination for the Azeris that they come. Everybody takes his own profit into account. It is natural. We should not view this in a bad, negative way because we are also interested in it. When they obtain profit we will gain more profit. It is called mutual relations, co-operation, and partnership.

Why do we need it? We need it because we do not have enough resources for this work now and foreign investments are necessary. Foreign companies bring their capital. We need modern technology, skills and experience from the develop countries of the world in all fields. We do not have all of this. For instance, yesterday at my meeting with the Lord Mayor, I told him that Azerbaijan is the first oil extracting country in the world. An oil gusher appeared in Azerbaijan in 1848 for the first time. Azerbaijan was also the first country to extract oil in deep-water, in 1949. At that time Great Britain did not even presume to find oil in the North Sea and extract it. But we found oil in 1940 in the Caspian Sea and began its extraction in 1949 at the Oil Rocks. But BP and other big companies discovered oil in the North Sea only in 1975 and began to extract it after that.

Yes, our oil industry is ancient but they possessed modern technologies and capital and were able to develop rapidly. We were a Soviet republic then, our means were limited and now we are in a more difficult situation. We were not
able to develop. We possess rich fields, at that time I worked in Azerbaijan and I remember in the 1970s we could not work at a water depth of 80 or 90 metres. At that time I initiated the construction of a big plant for preparation of platforms used in deep-water works. I received $400 million from the budget of the Soviet Union, to supply equipment from America which is being used to this day.

But we are not in a condition to cope with this ourselves. For instance, we get oil from Chirag field. The first oil was obtained last November. We drilled wells, mounted platforms at Chirag but we could not operate it. Under the contract we signed we have the Dada Korgud drilling rig. In the past it belonged to Azerbaijan the Soviet State acquired it but it did not have modern facilities and needed $37 million for its modernisation and upgrading. The assets were allotted by the consortium But besides the resources we have to bring skills and specialists. Now drilling rig, (we call it Dada Korgud — it is our grandfather’s -- and I gave the rig the name, but the prior name was Shell-2) works well.

I can speak a lot about this. I would like to explain that the arrival of foreign companies is profitable for them and beneficial for us. The more companies come to Azerbaijan the more famous and acknowledged Azerbaijan becomes. Over the past four years Azerbaijan has become known in the world and now world opinion of Azerbaijan has changed greatly. It is our achievement and it is only the beginning of our work. We have to improve. That is why it is important for Azeris living in other countries and this country to join together, show solidarity, be close to our embassy and to Azerbaijan’s problems. This is what I expect you to do.

You touched upon the Karabakh problem. It is our disaster. I have told you that this conflict began in 1988. We could have prevented it and kept our lands. But unfortunately Azerbaijan’s government could not do this at that time. And the Soviet leaders betrayed Azerbaijan. Now 20 percent of our territory is occupied, one million people are internally displaced from the occupied territory and most of them still live in camps.

What is the progress now? In 1994 we stopped fighting. Just remember the previous years: there was fighting every day, we lost people, but there were no results. The land was not taken back, people died, the overall situation in Azerbaijan was very difficult. But now the fighting has been stopped for more than four years, there is no fighting. We are conducting peace negotiations and want to settle the matter in peaceful way. I hope we will solve it peacefully.

Remember that we will not lose a metre, an inch of Azeri lands. I have told this to Prime Minister Tony Blair and said "Armenia expects Nagorno Karabakh to gain independence and then integrate with Armenia. Is that possible?" I said we could not agree with that. And what about you? Can you agree to that? Can the international community, the world's public agree? No, no country can agree!

It is not only our principle, it is set out in international legal norms, in the principles of United nations organisations and the OSCE. The territorial integrity of the country should not be violated. The borders of the country cannot be
changed by force or armed interference. So, no country, no international organisations, would agree to lose its territory and we do not either.

That is why Armenians have understood, begun to realise that it is not a sustainable policy. We will never tolerate it. We do not want to lose Nagorno Karabakh or any other region. We will settle the matter peacefully.

Now the situation is stable in Azerbaijan. If you visited Azerbaijan in 1990, 1991 or 1992 and even in 1993 you could see that situation in Azerbaijan. But now some people ask me: How could we achieve this stability? They compare Azerbaijan with other CIS countries, for instance with Russia; somebody is killed here, somebody is killed there - there are no such cases in Azerbaijan.

When I came to Azerbaijan in 1993, Azerbaijan was experiencing extraordinary conditions. At each corner you could see a man with a gun; on one side the government soldiers and on the other representatives of different illegal groups. There were many armed criminal groups in Azerbaijan who killed people, kidnapped them, hurt them and did many other bad things!

We eliminated crimes, prevented some of them, a hundred, two hundred or three hundred people were imprisoned but at least the remaining seven million of the population were released from their tyranny.

Some people, in particular our opposition, say that there are political prisoners in Azerbaijan. But actually there are no social prisoners. Like any other countries Azerbaijan has prisons and prisoners. Have you prisoners? Or America? You have. Why they are imprisoned? For the crimes they did. The crime should be punished. Azerbaijan has faced tyranny because of impunity. The protection of human rights is to create conditions for safety, for safe rest, work and sleep. We try to provide this.

Now the situation in Azerbaijan has changed. For instance Minster John battle (he is here) visited our state a year ago. For the second time he visited Azerbaijan to participate in an international exhibition and he said he noted a lot of changes. It is not a gift, it is not given by God. It is our work. It is the result of our work.

So our second achievement (the first is the halting of the fighting, the halting of the war) is the creation of socio-political stability. We protect stability and will further protect it in the future. Some criminal groups who wanted to establish their government by means of military actions still have such thoughts. They were not allowed to do that, the law is same for everybody in Azerbaijan. Law observance is one of the main principles. Those who violate it have no place in Azerbaijan.

We created a market economy, a free economy in Azerbaijan and this conference is devoted to it. The democratisation process is going on in Azerbaijan, a democratic state has been formed and developed democracy created. You are citizens of countries with developed democracy. How many years does it take them to reach this level of stability? It took them several centuries to reach it.

It was impossible to establish democracy in Azerbaijan over the course of
one, two or even five years. We adopted laws for this. We have our constitution. But many years will pass before the ideology and the psychology of the country change. We have a lot to do and we need time. And we will continue. There are people in Azerbaijan who consider themselves democrats. Why? I cannot understand - may be they were born democrats, or emerged as democrats from their mother's womb. But they live with these ideas. But let us not take notice of them. There are so many subnormal people in the world and I think this group also belong to those people.

The reality is that now democratic society, democratic principles have been created in Azerbaijan. The next democratic presidential elections will be held in Azerbaijan on October 11 on democratic principles. Five years ago I was elected president at the presidential elections. I think I deserved it because I worked much for Azerbaijan to bring it to this level. Now we are ready for the next elections. Some people say: we do not need elections because we know Heydar Aliyev well and we trust him. You know other republics (the central Asian republics) do not elect their president they only prolong the presidential term by 5-10 years by referendum. And even some other countries do that.

But we observe our laws and the constitution. Under the law the presidential terms is five years. When five years are over we should hold president elections and elect a president. The person who will be elected on October 11 will be the president in Azerbaijan for five years. I hope that the elections will be free, independent, democratic and fair. The necessary preparations have been done and will be done in future and I hope that you will also show solidarity for Azerbaijan.

You know, four years ago we were not able to meet in such conditions. Now there is an embassy of Azerbaijan here. It is Azerbaijan's property. Azerbaijan for the first time possesses property in such a large country as Great Britain. We will develop and maybe some years later we will be able to acquire more property, we will be able to do it. But now it meets our requirements. The Azeri embassy is working and we can meet here. I hope you will try to execute my request and be more friendly, kind, show more solidarity to each other in the name of Azerbaijan.

We have our historical factor - we are Azeris. You know Armenians want to prove that Azerbaijan is not a nation because they were nomads. But actually the Azeri nation has an ancient history. A great, ancient history! Our language is the Azeri language. You know in 1992 the Azeris made a mistake and called their language the Turk language. Yes, we are Turkic- speaking nation. We have the same roots. But later the Turkic-speaking nations parted and different nations appeared. The Uzbeks, Kirghiz, Kazakh, Tatars, Turkmen, Bashkirs, Uigurs are Turkic-speaking nations, but each of them has its own language and is a separate nation. For instance I can understand only ten percent of Uzbek and not more. The roots of our languages are the same. We have the same roots from the point of view of ethnicity. We have our own country-Azerbaijan - we have our
own language-Azeri - a very beautiful good language. We are the branches that developed independently.

You know I received my education in Russian. When I was young I studied and worked in Russia. I held a high position in Moscow. Russian is as a native language to me. But though I was speaking that language I could not forget Azeri. It is my native language and I love it very much. You know language preserves the nation. Of course, music, literature and different historical monuments also preserve nationality. But language is the first thing that performs this duty. If there was not Azeri there could not be Azeri literature. No songs, music might be written in Azeri. All these things are connected to each other.

The development and strengthening of the Azeri language as a state language is a great achievement for us from the point of view of great Azerbaijan. It is not purely a matter of language but also a matter of Azeri nationality. All the Azeris are important for Azerbaijan even if they do not live in Azerbaijan. We are not a nation to follow other countries or other people, we should be independent. We are great nation, we have our own name, language, history, literature, music and country. So the development of the Azeri language - presenting it everywhere, raising its image - is our duty, and your duty also.

It is difficult to translate from Azeri here, most interpreters translate from Russian. Sometimes I am asked to speak Russian. Speaking Russian is the same to me and even easier because I studied and worked in this language, delivered speeches, conducted negotiations. But now we have good translators. Everywhere I go, I speak only Azeri. English translators translate into Russian but my interpreter translates into Azeri for me. There are two interpreters here. The representatives of the talks come with their interpreter and I came with mine. Their translators translate into Russian — it is clear I understand them well — and mine translates into Azeri and translates everything I say in Azeri into English.

It is a matter of principle. I try to serve as proof of Azerbaijan's independence and nationality every minute, in all spheres. I will not allow them to think that we are still a part of Russia and speak Russian. No! We have our own language and we speak it, our nice rich language.

I wish all of you health and success in your future work. Do not lose touch with your country, visit it and know- Azerbaijan is in good hands. We will raise the Azeri flag everywhere. Azerbaijan has achieved firm, unchangeable, everlasting independence again. I did my best for that, continue to do it now and will do it future. Thank you.

*Speech of the Azeri ambassador to Great Britain Mahmud Mamed-Kuliev*

- Dear Mr. President!
- Dear compatriots!

It is an honour for all of us that Azeri president Heydar Aliyev came to our
embassy to meet our compatriots living in Great Britain and took part in the meeting. We thank the president for this and say to him "You are welcome" and we are proud to see the head of our country here.

Mr. President, taking the opportunity, I would like to express our gratitude to you for the initiative and help in acquiring and repairing this nice building and for everything you did to establish this embassy in London. We wish you good health, happiness, long life and a lot of achievements in your activity in the name of Azerbaijan, in the name of its brilliant future, and wish you new achievements in your activity.

Dear friends thank you for accepting the invitation and coming here to the embassy.

Mr. President!
Ladies and gentlemen!

One of the main directions of the Azeri embassy in London is to establish contacts with compatriots and hold joint arrangements with them.

Dear President, this policy is conducted under your instructions. The objective is to gather the Azeris living abroad and create an authorised, active diaspora community. I can sincerely say we have been dealing with this for four years in London and it is rather a difficult matter. But in recent times, recent years we made considerable progress. The Azeri diaspora community has been formed in Great Britain. New societies have been established. The members of societies often meet. Now we celebrate Novruz Bayram, the Day of Azeri Solidarity together. But at the same time we have a lot to do. I am sure that after this visit of the Azeri President to London the Azeris living here and in other cities of Great Britain will be more active, will join together and will be able to reach our objective together. Thank you.

Mr. President, some of the participants wish to say some words, express their thoughts, if you let them to speak. We are pressed for time so we cannot listen to many people.

Our dear professor Gulamrza Sabri Tebrizi asks for the floor. You know, he had been working for many years at Edinburgh University and it is already a year that he reads lectures at the Azerbaijan State Languages Institute on the English language and literature. You are welcome professor.

_Speech of Professor Gulamrza Sabri Tebrizi_

- Mr. President,
- Dear ambassador!
Ladies, Gentlemen and compatriots!

It is a real happiness for me to meet dear president. It is an historical event for us that the president of independent Azerbaijan has come to London on an official visit.
We, the Azeris, were spread all over the world. But then we had no home and now we are independent, our hearts are light and warm.

Our dear ambassador noted that after teaching for 35 years at Edinburgh University I went to Azerbaijan. I think that the words and deeds of a man should coincide. Now I have gone to Baku and live there in good conditions. I have a small flat behind Nizami metro station. It is big treasure for me. My friends and students often come to see me. I like my people very much. We have created a good environment in the flat. I have very good relations with people.

I am satisfied with my students. They are able to possess great knowledge. In particular I mean the students of the Baku State Universities. I do not speak of the new private schools. They are only beginners. Most of my students are writing degree works and I supervise them. I am proud that my every minute, every day in Baku is useful. Now I cannot live without Azerbaijan. I cannot sleep until I remember Azerbaijan. Now my heart, my conscience is calm. I know my work is important for my people.

Our first duty is to protect the Azeri language and Azerbaijan's independence. We have to use all available opportunities for this. It is true that for many years Azerbaijan was in the hands of inexperienced, insincere people.

Now we are proud that we have such a famous and acknowledged president. We have to value him. It is an historical situation that Heydar Aliyev is the head of Azerbaijan.

My request for the Azeri officials is not to give of themselves 100 percent but at least by 50-70 percent more like Heydar Aliyev does. Our future depends on them. Azerbaijan is developing, improving day by day. I believe the process must continue. We have to help ourselves.

Mr. President, I consider we have to introduce a computer system using our budget in order to develop strong a education system and industry.

Over several years I have been to different places, towns in Azerbaijan. Our people are very cultural, our people are hospitable. If you go to a poor house in a village the owner meets you so heartily that you imagine you are in a palace. You cannot meet such people nowhere else. A poor householder invites you to his house and he is likely to give you his heart. I have been to 35 countries but I still say the Azeri nation is the most hospitable.

There is a good proverb "there is no forest without a wolf". Of course you can meet bad people among the Azeris. But a considerable part of the Azeris is nice. They suffer all the difficulties in Azerbaijan. Our mothers, our women are unique. But they meet the difficulties bravely.

Mr. President, I have some requests. I think Azerbaijan television and radio programmes should be broadcast all over the world, because the Azeris living abroad want to listen to them. They miss Azeri music and Azeri speech.

Mr. President, I believe it is possible under your wise direction.

Mr. President, I took my students to Azerbaijan. They would like to modernise the living conditions in Icheri Sheher by repairing the water and gas system. The international bank will finance the works. But we need official permission. We have turned to different official departments. But we received no answer. I ask you
to help us with our work in Icheri Sheher.

I am proud to meet you in London. I wish you happiness, success and prosperity to your country.

I will return to Baku in 20 days and continue my work. I am always ready to do my best for my country. Dear president, I often remember the lands occupied by the Armenians. I have published five books and the Karabakh problem is widely reflected in them. All the occupied Karabakh territories are a black spot in our history. We have to win back our lands. I am ready to take a gun and protect our lands.

Here the Armenians pay money and publish information that the Karabakh lands belong to them in ancient times. Over one million of the Azeri population of Karabakh are refugees. Now we see their living conditions in winter and in summer. We have to liberate our lands. Otherwise our history will not forgive us.

Dear president I believe that under your leadership and far-sighted policy we will be able to return our lands. I embrace you and wish you more success. Thank you.

Mahmud Mamed-Kuliev: Thank you professor. Let us listen to Turkay Ganjali, a Professor from London University.

*Speech of London University Professor Turkay Ganjali*

- Dear President!
- It is a great pleasure and honour for me to see you here. We are proud that you speak our native language in any foreign country you visit. It is a good example for us. The Azeri language is very significant for compatriots living in other countries of the world. We are obliged to you for this. Eighty years ago when the Azerbaijan Independent Republic was proclaimed Mammed Amin Rasulzade said: "The flag that is raised once will never fell down". Unfortunately it did not come true. Dear president our three-coloured flag - blue, red and green - proclaiming Turkish, Islamic and modern approaches and with a Stella octangula representing Azerbaijan is now in your experienced reliable hands. To keep the flag for eternity is our dream and hope. Your trusty hands guarantee that Azerbaijan's independence will be preserved forever. Mr. President I wish you long life, health and success. Thank you.

Mahmud Mammad-Guliyev: now the floor is given to president of British-Azerbaijan Society Faramaz Akberian

*Speech of the President of the British-Azerbaijan Society Faramaz Akberian*

- Dear president!
- Ladies and Gentlemen!

Mr. President, I congratulate you with your visit to United Kingdom on behalf of the British-Azerbaijan Society.

Dear president, I wish you long life, health and success.

Our native Azerbaijan is the reason for our meeting today. Ten years ago an
Azerbaijan republic was just a dream for us. Now Azerbaijan's independence and integrity is known all over the world. Azerbaijan has embassies in many countries. The flag of the Azerbaijan Republic is waving above the headquarters of the United Nations Organisation. Azerbaijan has its own currency. The National Bank of Azerbaijan and Customs office is working in Azerbaijan. The Azerbaijan national army is formed and gets stronger day by day. Hundreds of companies have invested large amounts of capital in our republic and the sums are increased constantly. Independent Azerbaijan has the attributes of a state.

Mr. President, some time ago you said that one of the attributes of any country is its borders and the country has to protect them. We believe that Azerbaijan will win back its occupied lands, the annexed southern parts and that one million of refugees will be able to go back to their native towns. All this will promote the development of Azerbaijan's economy, industry and culture.

The British-Azerbaijan Society supports the principles of non-interference in the internal affairs of a country including Azerbaijan, but it protects and co-ordinates every activity which will contribute to the development of our independent republic, its policy and economy. We think that we need broadcasting to report Azerbaijan's problems in Azeri and other languages to the world community. We can tell all our problems to the world community via broadcasting.

During the previous years, foreign countries, in particular England have received negative information about Azerbaijan. It is necessary to send Azeri students and professors to institutes of different countries, to scientific institutions to let them inform the world of the facts, the truth about Azerbaijan. We are satisfied with the fight launched by the government against bureaucracy and bribery.

Taking the opportunity, I would like to express gratitude to Mr. Mahmud Mammad-Guliye for his help. I am also obliged to "Azerbaijan Hava Yollari" for their help in sending parcels to Azerbaijan.

Dear president, I wish you long life and health. Thank you.

Mahmud Mamed-Kuliev: Mr. President, we have several societies in Great Britain. We would like to create a big Society in United Kingdom to gather all our compatriots. The reality is that now there are several societies at present. We hope in future the societies will join, form one large society and carry out their work.

Now let us listen to another Society chairman Mr. Hasan Janda.

Speech of the Azerbaijan Society Chairman Mr. Hasan Janda

- Dear President!
  I welcome you on behalf of the Azerbaijan Society in Great Britain. We are proud of the stability you established in Azerbaijan. We would like to liberate all our lands occupied by Armenian armed forces and let our refugees return to their homes. Dear President, we hope you will help in the matter our compatriots living in Azerbaijan receiving Azeri citizenship.
I express my gratitude to Mahmud Mammad-Guliyev and other workers of the Embassy, they have always rendered their help to us. We often held parties devoted to Azerbaijan. The doors of the embassy are always open to us.

Mr. President, we wish you health and respect to Azerbaijan.

In the second half of the day Azerbaijan President Heydar Aliyev visited the British parliament. The president took part in a session of the House of Commons in which members or parliament put questions to the Prime Minister. Great Britain's parliament consists of the Lord and Commons chambers. The Commons Chamber consists of 659 deputies. The speaker of the Chamber is elected for a five-year period by an equal, secret ballot. Lady Betty Boothroyd is the speaker now.

The Prime Minister of the United Kingdom of Great Britain and Northern Ireland Tony Blair as a leader of Labour Party (the ruling party) spared 30 minutes for the questions of deputies.

The chairman of the meeting was Betty Boothroyd.

Then Azerbaijan's President Heydar Aliyev attended a reception dedicated to the establishing of relations between Great Britain and the Azeri parliamentary group in London. George Bruce, the chairman of the British-Azerbaijan Parliament group, the co-chairman from the British side and representative of the parliamentary Group Baroness Linda Chalker and other members of parliament and representatives of Great Britain's parliament took part in the meeting. Mr. George Bruce welcomed the Azerbaijani President, expressed his satisfaction at meeting with such a high-ranking official as Heydar Aliyev and introduced the deputies participating in the meeting to the Azerbaijani President.

The Chairman of the British -Azerbaijan Parliamentary Group G. Bruce and Heydar Aliyev delivered speeches.

Speech of the member of the British-Azerbaijan Parliament Group, George Bruce

- Mr. Heydar Aliyev!
- Mr. Minister for Foreign Affairs!
Mr. Ambassador, Ladies and Gentlemen!

I am proud that as chairman of Britain-Azerbaijan Parliament Group I have the right to welcome you here.

We know that the official visit of the Azerbaijani President to United Kingdom has been a success. The presence of president Heydar Aliyev here will gives us opportunity to exchange views.

I have to mark the special role of President Heydar Aliyev in the develop-
merit of the republic, which passed through a very difficult journey before fully gaining independence.

Very few people in Great Britain knew about Azerbaijan's existence before. I should note that one regiment from the province where I was born took part in the fighting near Baku at the beginning of the century but they could not remember exactly if they fought against the Turks or Bolsheviks.

I would like to express my gratitude to Admiral Kobeia for creating the conditions for this meeting in the Royal Institute and to "Hanting" company which is in the role of host today.

Sometime later we will leave to the Commons Chamber where Azerbaijani President will witness a duel between the government and the opposition which has become usual for us. This experience should not be shown to the countries that gained independence recently.

I do not like the process and even prefer to escape from it. I have put the most destructive questions of the 21st century on the agenda.

Yet in 1977 I asked a polite, very gentle question to a Minister from the Labour party. The Minister slowly stood up, answered quietly then took his seat, leant over and departed this life.

During the overly long term of the Conservative government my colleagues tried for a long time to get me to return to the Chamber again.

They wanted me to use my fieriest weapons. My refusal played a big role in bringing down the Thatcher government. I hope my colleagues did not hold me to blame.

Mr. President! I thank you for your participation in the meeting with representatives of all parties. I would like to give you small gift. The gift will always remind you of the meeting of the British-Azerbaijan Parliamentary Group that included representatives of all parties. I would like to inform you that representatives of the Lords Chamber took part in the conference as well as members of the Commons. All the names are listed on the blackboard.

Mr. President, I assure you that that the blackboard was not inspected by the Mi-5 or Mi6 intelligence services. I assure you that no bug was mounted to it.

You are welcome, Mr. President.

**Speech of the Azerbaijani President Heydar Aliyev**

- Dear Ladies and Gentlemen!
- Dear friends!

Thank you for the meeting.

The United Kingdom parliament possesses great history and traditions. It is true you do not like some traditions and even would like to eliminate them. I felt it at once today. But at the same time you cannot part with them or apply them in Azerbaijan.

Thank you that you try to prevent the introduction of an arrangement you do not like yourself to our country. Thank you for this. Some countries believe
their traditions are universal and should be accepted in all countries. It is like the communist ideology that was applied to our country for many years. Communists' ideology demanded that it should be introduced everywhere. But they met with failure. Now the countries that have been released from Soviet ideology, and are following the democratic route are suffering because those countries that have for many years been democratic states advise them to follow their examples. Today I understood that you have another opinion. Thank you for this.

But we understand that you have great traditions in state governmental system and parliament in particular. It first of all concerns democracy.

We are trying to establish a law-based, world-class democratic state in Azerbaijan. We established democracy and are on the path towards its development. But the notion of democracy is not common for us. Our people will need some time to get used to the new ideology and accept it.

We need your help in spreading democracy and make it firm and unchangeable in Azerbaijan.

We are trying to use your experience to the maximum. If you see that sometimes your experience may have a negative influence, please prevent the process.

At any rate democratic principles in Great Britain are introduced by parliament. And I am grateful for the meeting with Prime Minister, the British-Azerbaijan parliamentary friendship group and other members of parliament.

Taking this opportunity, I would like to invite you to take part as observers in the election, that is to be held in Azerbaijan on October 11. Undoubtedly, our co-operation will not end there.

We have taken a very significant decision on long-term co-operation with Great Britain. We discussed the matter with Her Majesty. The matter was widely discussed at my meeting, my conversation with Tony Blair. Our opinions on development relations between our states coincide. The negotiations resulted in the signing of a declaration "on friendly relations and partnership" between our countries by Tony Blair and myself as president of Azerbaijan. During the past four years the relations between our states have improved and developed. Negotiations and the meeting with the Prime Minister during my visit to United Kingdom and the documents we signed have opened up a new stage for our relations in future. We agreed to develop relations in the economic, political, cultural and humanitarian spheres. I hope you will also contribute the development of our relations.

I wish you health and every success. I wish more profitable activity to the United Kingdom. I wish you to make efforts to develop Great Britain - Azerbaijan relations. Thank you.

We have no big present for the British parliament. But it is an example of our national culture. Carpet weaving is one the branches of Azerbaijan culture, Azeri art. Azeri carpets are famous. It is handicraft, women and young girls
weave them. I hope it will contribute to friendship in the Azerbaijan - Great Britain relation.

Later that day the Azerbajani President met representatives of the teaching staff at the Royal International Relations Institute, British officials, representatives from the government, diplomats and journalists.

The Director of the Royal International Relation Institute Lord Patrick Richard Henry Wright Richmond led the meeting. He opened the meeting with the following words.

Your Excellency, Mr. President!
Dear ladies and gentlemen!
You are welcome to Charter House, the Royal Institute.
I would not like to repeat the biography of a person whom you already know well. I think Heydar Aliyev is such an official who does not need to be introduced. But I think it is necessary to remind you of some biographic points about Heydar Aliyev.

Mr. Heydar Aliyev was a leader of the Communist Party in Azerbaijan in 1969, and in 1993 he took the post of president. And in October 1993 he was legally elected president. Without any further comments I give him the floor.

The President of Azerbaijan gave a speech at the meeting:

- Dear Chairman!
- Ladies and gentlemen!

I welcome this illustrious audience to the Royal Institute of International Relations and would like to say that I am very glad to be here.

This is my second appearance in this auditorium. In 1994, during my first visit to Great Britain as president of Azerbaijan, I was invited here. I gave a speech and answered questions. Four years have passed since then. At the invitation of the Prime Minister of the United Kingdom, Tony Blair, I am again in your country on an official visit. This is the third day of my visit and I have been invited to this institute, for which I express my gratitude to you.

It is an honour for me to give a speech in this auditorium at the Royal Institute of International Relations in front of specialists in politics, scientists and journalists.

I am sure that many things interest you. But our chairman has told me me that I have only half an hour for my speech and also time for questions should there be any left. Of course, it is difficult for me because 30 minutes aren't enough to bring to your attention all that I want and also to fulfill your request. I could give a speech much longer than that, but I have to follow today's time limit.

Azerbaijan declared its independence in 1991 after the collapse of the Soviet Union and it has been independent for six years. The period of declaring independence - the end of 1991 and the beginning of 1992 - was very difficult for Azerbaijan. Of course, after the collapse of the USSR for all 15 union republics
to gain independence and to function as independent states was difficult. But for Azerbaijan this period was especially difficult.

As you know, in 1988 because of an attempt to annex the Nagorno-Karabakh region into Armenia, a confrontation blew up between Azerbaijan and Armenia. This confrontation grew into a war. In 1991, the war between Armenia and Azerbaijan broke out. So our new life and our struggle for independence in Azerbaijan was in the state of war. At that time part of the population of Azerbaijan had been evicted by force from their homes and became refugees. At the start of 1989, the internal situation in Azerbaijan became strained. The unobjective and unfair attitude of the USSR authorities towards the Azerbaijan-Armenian conflict caused great anger in our nation. Mass demonstrations and acts of protest against the Communist government in Azerbaijan and the Soviet authorities took place in our country.

This only aggravated the situation. As you know in January 1990, the Soviet government, the Communist Party and the Politburo, under the direct guidance of Mikhail Gorbachev took an unfair decision on Azerbaijan. They sent troops into the country and attacked unarmed people who were expressing their protest. A lot of people were killed and blood covered the streets of Baku. This aggravated the internal situation even more and caused deep wrath towards the Communist regime in Baku. But the government had been trying to keep authority, and in that way an internal confrontation began.

It is true that after the collapse of Soviet Union, the communist parties vanished, but those same people were still in authority. Soon, however, they were obliged to leave and a new government came to power. In 1993, a government change took place in Azerbaijan.

So, the first years of independence in Azerbaijan were very strained and difficult. Because of this Azerbaijan went through different processes.

At the beginning of 1993, the situation became heated again. Protests against those who were in power started and several armed encounters took place. Civil war broke out. In June 1993, the people in authority resigned and left the government. Thus a governmental crisis appeared in Azerbaijan.

As the chairman of our meeting mentioned, I was invited to Baku in June 1993 and was elected the head of the Azerbaijani Parliament, the Supreme Soviet. Because the ex-president of Azerbaijan had left Baku and was hiding in a village in the mountains, there was no government in Azerbaijan. A referendum was conducted and the results showed the nation's lack of confidence in the ex-president.

In 1993, presidential elections took place and I, Heydar Aliyev, was elected president. This year my presidential term will end and presidential elections have been planned for 11th October.

So I would like to repeat that during that time, Azerbaijan lived in very difficult social and political conditions. What did we do? At first we tried to put end to the Azerbaijan-Armenian conflict. As a result of this confrontation, 20% of Azerbaijan's territories have been occupied and more than a million people have
been pushed out of those territories. At the present time, most of them are living in tent camps in terrible conditions.

At the beginning of 1994, war was still going on. Of course, people were dying both on the Azerbaijani side and the Armenian side. I saw the lack of perspective in this war. Not only I, but everyone observing this conflict felt the lack of perspective in the situation. Because of that, in May 1994 we signed a treaty that ended the war and established a cease-fire. From May 1994 until the present day there has been no war, battles do not take place, blood does not flow and negotiations are conducted for the peaceful resolution of the conflict. But peace has not been accomplished and a solution to the war has not been found. As I have mentioned, 20% of Azerbaijan's territories have been occupied and a million Azerbaijanis live in tent camps.

I think that to normalise the social and political situation in Azerbaijan, the policy of finding a peaceful solution to the conflict was the right step. It is also a valuable step towards the stabilisation of the situation in the Caucasus and that is why it should be completed.

Another problem in Azerbaijan, an issue that was putting a strain on us was, as I have mentioned, the instability in the internal social and political situation. By 1993 stability had been destroyed to such an extent that civil war broke out and some forces even wanted to divide Azerbaijan. We prevented civil war, tried to stabilise the internal social and political situation and we achieved this. But it wasn't easy. Because, as you know from the media, in October 1994 there was an attempted coup d'état in Azerbaijan. But we prevented it. At that time the former Prime Minister of Azerbaijan wanted to overthrow the president. We prevented this without resorting to arms.

I mean that those people had arms and weapons. But, as you probably know from the media, I gave a speech on television addressing the Azerbaijani nation. For an hour or two after midnight, the population of Baku gathered in front of the presidential palace and protected their president and their government. The next day, a million people gathered on Liberty Square. In this way, the attempt to seize power was prevented.

But in 1989, the idea of the seizure of power had very deep roots and people couldn't get rid of it. At that time, illegal armed groups existed in Azerbaijan. Illegal weapons were being stored and people were using them to commit crimes. Those illegal groups were perpetrating crimes, but their appetite grew so much that they desired to come to power.

One of the illegal groups gathered at the offices of OMON - a special police group that's part of the Ministry of Internal Affairs. In March 1995, they tried to seize power, but this was prevented. Of course, some of these people were arrested, some escaped, hiding in different countries. Most of them are still hiding.

These two events have wounded Azerbaijan. At the same time they were crucial remedies against the seizure of power by those illegal groups, against the coming to power by force. After this, measures were taken step by step to nor
malise the internal situation in Azerbaijan. Now we can state with certainty that the internal social and political situation in Azerbaijan is stable.

In 1995, the first constitution of independent Azerbaijan was created. In November 1995, the first democratic parliamentary elections were conducted. Parliament and the constitution are functioning. Over the last few years, most of Azerbaijan's laws have been adopted.

So the last six years can be divided into two stages. The first stage covers the strained period of life in Azerbaijan and the conflict between Azerbaijan and Armenia, the second covers the stabilisation of the internal situation and the establishment of a cease-fire regime.

We have declared, and it says as much in our constitution, that a democratic and lawful government has been established in Azerbaijan and the process of state-building is now being carried out. This is the main strategy of our policy.

We are reorganizing the economy of Azerbaijan by developing a market economy and free enterprise. Political and economic reforms are being carried out for this and they are getting positive results.

I could tell you a lot about the economic sphere. But I presume political issues are more interesting to you. I will simply say that Azerbaijan adheres to market economy reforms that have seen positive results in all spheres. In 1996, the economic decrease of 20-25% that had existed in every previous year in Azerbaijan was stopped. Starting from 1996, in 1997 and in 1998 an increase has been observed in the economy.

I would like to bring as example several numbers. For example, the increase of national products in 1996 was 1.3%, in 1997 it was 5.8% and in 1998 the increase of national product stood at 9%. A stable situation has been achieved in the financial system. In 1994, inflation in Azerbaijan stood at 1,400%. This number was brought down to 6% in 1995 and to 4% in 1996. Inflation stood at 0.4% in 1997 and in the first six months of this year it has been 0.6%. So we can state that inflation is stable. Our national currency functions normally and even consolidates its position towards the dollar.

We have also achieved other high economic goals. You are aware of them. We signed three big contracts in London on the joint exploitation of Azerbaijan's oil fields. These contracts were signed at the residence of the Prime Minister of Great Britain in his and my own presence. So, up to now we have signed 15 contracts in the oil and gas sphere with some of the biggest companies in the world. 14 countries are represented by 26, maybe 28 or 29, companies that have participated in these contracts.

New investments are flowing into Azerbaijan and they are increasing each year. For example, in the first six months of this year in contrast to the first six months of last year, the amount of investments has increased by 70%.

I would like to get back to political issues. Our main goal is the resolution of the Armenian-Azerbaijan conflict. As I have mentioned, we adhere to the peaceful solution of this dispute and have demonstrated our efforts to do this. The
Minsk Group of the OSCE is involved in the solution of this conflict. At the present time, the OSCE has three co-chairmen. They are the Russian Federation, the United States of America and France.

In December 1996, at an OSCE summit in Lisbon, the principles of the peaceful solution of this conflict were determined. They are the following: First, the recognition of the territorial integrity of Azerbaijan and Armenia. This is very important because Armenia has refused to recognise the integrity of Azerbaijan until now. Second, to grant to Nagorno-Karabakh the highest status of self-governing under Azerbaijan's authority. Third, to guarantee the safety of the whole population - both Azerbaijan and Armenian nationalities - of Nagorno-Karabakh.

We accepted these principles at the OSCE's Lisbon meeting in December 1996. The heads of 53 out of the 54 countries that had been participating at that meeting voted for these principles. Armenia was the only one to reject these principles.

The Minsk Group at the core of that meeting prepared and submitted a new proposal in 1997. This plan proposes to solve the conflict in two stages. As you can see on the map, these are the occupied territories of Azerbaijan. The red area is Nagorno-Karabakh and the yellow and green districts around Nagorno-Karabakh were where Azerbaijanis lived. Now these areas are occupied by Armenian troops.

This is Armenia and this is the Autonomous Republic of Nakhchivan. This is the 130-kilometre Azeri-Iranian border now under Armenian occupation.

What is the proposal of the co-chairmen of the Minsk Group? They propose to solve this problem in two stages. In the first stage, the green part - this consists of six administrative districts of Azerbaijan - should be freed and refugees and displaced people should be returned to their homes. In the second stage, the yellow districts - Lachin and Shusha - should also be freed and people returned. At the same time, the legal status of Nagorno-Karabakh under the authority of Azerbaijan should be determined.

The Minsk Group of the OSCE offered this proposal to Azerbaijan and Armenia. Not everything satisfies us in this proposal. But being constructive and having a desire to put an end to this conflict, we withdrew our protest and accepted this proposal.

Armenia didn't agree to it. But the ex-president of Armenia accepted these principles. Last year in October, at a meeting in Strasbourg, I and the ex-president of Armenia, Lev Ter-Petrossyan declared our approval of the solution to this conflict according to these principles. But later the situation in Armenia changed, opinions divided and in February this year, President Ter-Petrossyan resigned. New elections were conducted in Armenia and, as you know, Robert Kocharyan was elected president. Because of these events the process was delayed.

The Minsk Group co-chairmen visited our region in May. They went to Armenia, Nagorno-Karabakh and to Azerbaijan. We confirmed our approval of the Lisbon principles. But approval from the Armenian side wasn't achieved. The
situs remains at this point now.

Why didn't Armenia agree to the principles of the Lisbon meeting? It pronounced that "independence should be granted to Nagorno-Karabakh." This isn't admissible for us. The right to protect the integrity of one's own territories is reflected in the norms of international law. This is the main principle of the United Nations Organisation, the OSCE and other international organisations. We can never accept the breach of our integrity. Annexation of Nagorno-Karabakh to Armenia is impossible. It has no prospects. The main thing is that we have to accept reality. Because Armenia has invaded these territories, it considers itself the winner and wants to dictate to us its will.

This issue has been discussed several times with the heads of world countries. We discussed it with the US and with the OSCE. I would like to mention again that we adhere to the idea of a peaceful solution to this conflict. We want to establish a long term and reliable peace with Armenia. But we can't forego our lands. We can't agree to grant independence to Nagorno-Karabakh. International laws and organisations, of course, can't allow this either. This reality should be perceived and if it is then the conflict can be solved peacefully.

This is our main and most difficult problem. The confrontation has lasted for ten years. This was the first conflict in the ex-Soviet Union. Unfortunately, it hasn't been stopped. Now there is also a conflict between Abkhazia and Georgia in the Caucasus. We stand for the peaceful resolution of all these conflicts, but on condition that the territorial integrity of countries is preserved. Separatism should not be allowed. There can be no excuse for separatism. We have never stood for it.

As I have mentioned, Azerbaijan is a democratic republic and we are developing by way of democracy and will continue to do so. Today I declare that the presidential elections that will take place on 11th October will be conducted according to democratic principles. I invite journalists and others to Azerbaijan as observers to the preparations of these elections. We would be very glad for this.

Of course, democracy is a new thing for countries such as ours. Sometimes it is mentioned that democracy in Azerbaijan and in other countries of the former Soviet Union isn't at the desirable level. For example, it should be at the level of America, Great Britain, France, and other European countries.

I think everybody should realise that these countries have been developing by way of democracy for over 100 years, not ten. But democratic defects still exist. In our own country, and in developed countries, too. It isn't important to look at which level democracy is at in Azerbaijan or in other countries today. We are independent and a young country, which follows the ways of democracy. The important thing is that we stick to this, we are developing in this direction and will do so until the end. One of our main goals is to preserve our independence. This isn't easy. Because the countries of the former Soviet Union were under the authority of the Russia Empire and then under the authority of the Soviet Union for a great many years. Now, democratic processes are taking place in Russia. We want further development and the deepening of these processes. Because Russia
is our northern neighbour. We have a 200-year-old relationship with this country. The more democratic Russia becomes, the safer it will be and the more useful a companion it will become for Azerbaijan. But if imperialistic propensity develops in Russia and it desires to win back the countries of the former Russian Empire or to declare its authority over them, of course, this will cause conflicts and will damage the independence of every country.

That is why for the protection of our independence we want our neighbours to develop in a democratic way, as we are. I would like to declare that the independence of Azerbaijan is steadfast and forever. We will never lose our independence again. One of the facts that affirms our independence is that there is no army or military groups from other countries in Azerbaijan. As you know, there are three independent states in the Caucasus: Georgia, Armenia and Azerbaijan. There is a big Russian military unit, about 30,000 troops, in Armenia. Russia pronounced that those military units are its military base in Armenia. One year ago, the Russian Minister of Defence, Igor Sergeyev, visited Armenia to extend his country's military cooperation and provide Armenia with weapons and arms. Even S-300 missiles going to be donated. The Azerbaijani Republic has several times expressed its protest about this to Russia. We can't understand why Russia has to keep military bases in Armenia? Why do Russian military bases exist in Georgia? We have protested about this. The Russian Federation has a large territory and should keep its military bases on its own territory. It is dangerous, because the presence of Russia makes available the provision of Armenia, which is in armed conflict with Azerbaijan.

Last March, officials from the Russian Ministry of Defence disclosed that the Ministry of Defence of Russia had illegally donated to Armenia weapons and arms to the tune of 1 billion dollars in three years. We protested against this. I appealed to the president of the Russian Federation, Boris Yeltsin. We wrote several letters. We raised the question that during the Armenia-Azerbaijan conflict, neither of the sides should be supplied with weapons. Secondly, it has been four years since we signed a cease-fire. So why is Russia supplying Armenia with so many weapons? We haven't been able to clarify this fact. Russian authorities promised to investigate it. We created a joint committee, but the investigation is being delayed.

In addition, Russia is fortifying its military bases in Armenia. It doesn't preserve safety in the region. But the Minister of Defence of Russia said "we have to keep our military there to ensure the safety of our country." I can't understand this. This is not logical.

We want to preserve peace in the region, to create peace between Azerbaijan and Armenia, to have good and friendly relations with Russia and our other neighbouring countries - Iran and Georgia. There exists a friendship between Azerbaijan and Georgia. We want to live in understanding and have friendly relations with all our neighbouring countries.

You are aware of the geo-political location of Azerbaijan. Now it has become a centre of interest for the world. At first because of the signing of our first con
tract, the so-called "Contract of the Century" on the exploitation of oil fields in the Azerbaijani sector of the Caspian Sea. This has opened up the oil fields of the Caspian for exploitation. During the last four years, the countries around the Caspian Sea have done a lot of work in their sectors.

As I mentioned, we have now signed our 15th contract. Kazakhstan has rich oil fields in its sectors, too. There are also rich oil fields in the Russian and Turkmen sectors. But now the problem of determining the status of the Caspian Sea has appeared.

You may know that we have been advocating the division of the Caspian into sectors from the beginning. I am very glad that one or two weeks ago, the Russian and Kazakh presidents signed a treaty on the division of the part of the Caspian Sea between Kazakhstan and Russia into sectors by median line.

The geopolitical location of Azerbaijan allows us also to restore the ancient Silk Route. As you know, two years ago, four countries - Azerbaijan, Georgia, Turkmenistan and Uzbekistan - created the Trans-Caspian highway for the transportation of cargoes from Central Asia to Europe and from Europe to Central Asia. That traffic corridor is now working. At this moment, the European Union, and especially its economic committee, is involved in restoring the ancient Silk Route as part of the TRASECA programme. We have joined this project and almost all the countries which were part of the Silk Route, including Japan, Central Asia, the Caucasus and European countries have joined, too.

With the support of European Union, a meeting of 34 countries located along the Silk Route will take place in Azerbaijan on 7th-8th September. You know the trajectory of the Silk Route. Beginning in from Japan and going as far as the Turkmen port of Turkmenbashi on the Caspian Sea, then there is a shipping route to the port of Baku - trains are ferried to Azerbaijan. Then they pass to the coast of Black Sea by railroad. From there, the Silk Route reaches your country. There are several available directions from the Black Sea port. It can go through Romania, along the River Danube, or through Bulgaria and Ukraine.

The countries located on this route have given their approval for the meeting that will be held on 7th-8th September.

My experience of the last two years indicates that it has been very beneficial economically. For example, in 1996 we, four countries, have signed a treaty on the volume of cargo going to Asia from Europe and to Europe from Asia. Then it was one million tonnes, in the last year it became four million. This year it is expected to increase several times. I consider that it will stimulate cooperation between these countries and will secure peace in the Caucasus.

I would like to mention that the Caspian Sea has become a centre of interest. Different opinions are being expressed and articles are being written about the Caspian. Everyone is expressing his thoughts. But I would like to emphasise that there are rich oil fields in the Caspian. The Azerbaijani sector has plenty of them, and not only the Azerbaijani sector, but other sectors, too.

We signed a treaty on the exploitation of the 15 biggest oil fields. But there
exist others that we are exploring and we are doing this jointly. As you know, we received the initial oil in November last year via the Baku-Novorossiysk pipeline. We have been delivering it to the Black Sea and exporting to world markets.

One of the issues for us is the delivery of oil that is extracted in the Caspian Sea and also the export of oil from the eastern Caspian, i.e. Kazakhstan and Turkmenistan, to Europe. We plan to build several pipelines for the export of Azerbaijani oil. As I have mentioned, one of them is Baku-Novorossiysk, which is able to transport 5 million tonnes of oil in a year. The second pipeline will go from Baku to the Georgian port of Supsa on the Black Sea coast. It will give the opportunity to transport 5-7 million tonnes a year.

To build big pipelines is very important. Rich oil fields not only in the Caspian, but also in Kazakhstan and Turkmenistan, prove that several pipelines should be constructed. So there is a pipeline going from here to Novorossiysk and I have told you about the pipeline going to Supsa. In the end, we consider that the main pipeline should connect Baku and the Turkish Mediterranean port of Jeyhan (it is being shown on the map). This issue is being discussed. We support the transportation of Azerbaijani oil along this route.

But this won't be the last pipeline and new pipelines may be constructed, too. For example, a contract has been signed on the construction of a pipeline going under the Caspian Sea from the Kazakh port of Aktau to Baku. And there are rich oil fields in Turkmenistan and it wants to deliver its oil to world market too. Many western countries, especially Turkey, are conducting talks with Turkmenistan and have proposed the construction of a pipeline under the Caspian which will deliver Turkmen oil to Turkey through Georgia. We support this and other pipelines.

We receive oil that is extracted in Kazakhstan by "Chevron" to Baku not by pipeline, but by tanker. Last year 1 million tonnes of oil was transported, this year 2 million tonnes are expected to be delivered. From here, that oil is transported to Batumi in Georgia by railroad.

So our region, the Caspian Sea has economic potential, it has become a centre of interest. Because of that, peace should exist in our region, in the Caucasus. In general, there should be peace all over the world. We are supporters of peace and want to achieve peace for ourselves and our neighbours.

I can continue talking, but I see that my time is up and I am ready to answer your questions. Thank you!

**Lord Patrick Richard Henry Richmond:** Thank you, Mr. President. Ladies and Gentlemen, if you want to ask questions, please wait for my signal. I ask you to stand up and introduce yourself while asking a question and to give short questions.

**Question:** I would like to ask about the Kazakh and Turkmen underwater pipelines through the Caspian. Is this possible without an agreement between the Water Boards of Azerbaijan and Turkmenistan? How much of a problem do you think this will be?

**Answer:** There is a little cooperation between Azerbaijan and Turkmenistan and this cooperation hasn't been created by Turkmenistan. We started exploration
work in our sector after the first contract was signed in 1994. But Turkmenistan put forward its claim to several oil fields in our sector in 1996. Firstly, this claim has no basis and secondly, as we explained to Turkmenistan, if they have a claim, it should have been brought before the contracts were signed.

I think the problem between Azerbaijan and Turkmenistan will be solved. I don't want someone to misunderstand it.

The construction of pipelines from Turkmenistan and Kazakhstan to Baku isn't our proposal, it is theirs. We only approved it. Because our own oil resources are sufficient until the end of the 21st century. As I have mentioned, we have built two pipelines and we want to construct third along the Baku-Jeyhan route.

It Kazakhstan and Turkmenistan want to export their oil and gas to the West, exportation through Azerbaijan and the Caucasus would be the best and the cheapest way. This isn't our initiative. Thank you!

Question: Dear Mr. President, while in authority you have made several important steps in the direction of the protection human rights. You abolished the death sentence in February this year and you issued a special decree about the protection of human rights. In that decree you mentioned the significance of the cooperation of international human rights organisations with Azerbaijan. We are very delighted that the name of our organisation was also shown in this document.

Unfortunately, there still exist some defects in the issue of human rights in Azerbaijan. We have informed the officials of Azerbaijan about them several times in written form. We would like to know whether you will give the necessary orders to officials to start constructive negotiations with us and to conduct discussions for our cooperation.

Answer: Thank you very much. This is a long question, and my answer will be twice as long. At first, it is true that I have abolished the death sentence in Azerbaijan. Azerbaijan is the first state in the East, in the Muslim World, to abolish death sentence. As you know in many US states, it hasn't been abolished.

Over the last two or three years, I have been the initiator of several acts of amnesty. And as president, I released hundreds, thousands of people, released them from detention. I thank you for paying attention to our work, evaluating it and for raising this question here.

This year will be the 50th anniversary of the existence of the UN decision on human rights. We are planning to organise a lot of meetings because of this occasion and we want to celebrate this date in the direction of the protection of human rights in Azerbaijan.

Of course there are defects, too. I have never denied it. I ask you to consider that we are a young state and steps that we are taking are brave steps, they are completely opposite to the customs and psychology that have been formed over hundreds years. And of course, there exist mistakes and defects in the process of realisation. But the main thing is that our policy in this direction has been built correctly. You recognised my decree. I am delighted that you have seen this document. It is not just a decree, it is a programme for the further development of Azerbaijan in this sphere. Of course
I will push for its implementation and will cooperate closer with you. Thank you!

**Question:** Mr. President, my question relates to the price of oil. As you know, the price of oil fell on world market recently and most oil-exporting countries decreased their extractions. We would like to know what the policy of Azerbaijan is relating to the falling price of oil?

**Answer:** Of course, all oil-exporting countries and we ourselves also incur losses because of it. It has also created a problem of the realisation of this year's budget. We adopted an optimistic budget for this year, with a budget deficit of Just 2-3 percent. But the sudden fall in prices by 100 percent, of course, has hurt us. But we extract oil, we will continue to extract it, we sell it and we will continue to sell it. We will sell it at the available price. We have no power to change situation. We simply hope that prices will go up and I think they will. Thank you!

I again give my regards to you. I consider my meeting with you to be the main part of my visit to Great Britain. I wish you good health, and peace and prosperity to your country. I wish you success in all your work. Thank you!

The Azerbaijani President, Heydar Aliyev, answered several journalists' questions after the meeting:

**Question:** You accused the Russian Federation of supplying Armenia with weapons. Do you have anything good to say about Russia?

**Answer:** Of course I do. I invited a Russian to the contract signing ceremony yesterday at the residence of the Prime Minister - Yuri Shafranik here. I brought him to the residence of the Prime Minister and he signed the contract with the heads of British and American companies.

**Question:** Please, several sentences about the perspectives of GUAM. There has been little said about it since it was created.

**Answer:** Someone is impeding its development. I consider that this organisation will find a way for itself.

**Question:** In what direction will it find a way? Can you predict its future?

**Answer:** Its future is in the cooperation between Georgia, Ukraine, Azerbaijan and Moldova.

**Question:** Please, tell us about the perspectives of the Supsa-Odessa, Odessa-Brodi and other routes and about their use.

**Answer:** They are real. Because at the present time, Ukraine is creating a ferry corridor from Supsa to Odessa and the Ilichosk port. Only cargo buses will be carried now. But soon they will provide a way to ferry railroad wagons. It will become real.

**Question:** How soon will this happen?

**Answer:** It depends on Ukraine. They have shown an interest and I support it.
On the same day, "British Petroleum", the largest company in the Great Britain arranged concert with the participation of the Azerbaijan art workers in the famous "Victory and Albert" museum in London.

The President of Azerbaijan Republic, Heydar Aliyev, representatives of United Kingdom state officials, political figures, businessmen, diplomats and Journalists participated in the concert.

The concert was opened by the introduction speech of the deputy chairman of BP Peter Sutherland:

-Your Excellency Mr. President!
Dear Guests!
Ladies and Gentlemen!

I welcome you on behalf of "BP/Statoil" Alliance and Embassy of Great Britain. I think all of us will enjoy the tonight's concert.

We are proud of the attendance of the concert by President of Azerbaijan Republic Heydar Aliyev, despite of his intensive mission timetable. The President's program for today is not limited to this action. We are honored very much by the meeting with the President Heydar Aliyev.

The President's mission programme is not limited only to his meeting with the state officials, representatives of the business circles. The today's concert arranged in the museum of "Victoria and Albert" is aimed at the close familiarization with the Azerbaijan culture. This evening is also very important for "BP/Statoil" Alliance.

I met President Aliyev in Baku on November of last year for the first time. The President opened the first oil crane which was the result of the Joint activity of BP/Statoil" Alliance and other foreign companies with SOCAR.

As you know, the other day, the bigger agreement on oil production sharing was signed. I consider this as a new page in the relationship between Azerbaijan and United Kingdom.

Of course we are not going to speak about business tonight. This evening is devoted to the Azerbaijan culture. Today we will enjoy the concert involving the musical composition of Rauf Hajiyev, one of the famous composers of Azerbaijan.

Mr President we would be pleased and honored to listen to you.

Speech of the President of Azerbaijan Republic, Heydar Aliyev

Dear Mr. President!
Dear Ladies and Gentlemen!

I am greeting all of you warmly. I highly appreciate today's meeting with you in this palace, which is a great architectural, historical and cultural memory of the London.

Today is the third day of my official mission in Great Britain. In these days we work in intensive timetable. I am satisfied with this official mission. I think
that within these three days we have taken serious steps towards improving relationship between United Kingdom and Azerbaijan. All meetings held in London were of political and economical nature. Finally today we have to do with the culture and art.

There is a great interest in Azerbaijan from the side of United Kingdom. The officials and businessmen of Great Britain pay much attention to all fields of economy of Azerbaijan. It is doubtless that the issues related to oil production were in the center of our attention during the discussions.

Azerbaijan is an ancient land of oil. It has centuries-old traditions. Great Britain is a young country in respect of oil related activity. But it has made progress in this field and gained great results. British Petroleum being a large company in Great Britain is especially successful in this field.

British Petroleum and Norwegian Statoil companies were so close that it was impossible to take them separately. That is why when we say British Petroleum we mean Statoil; when we say Statoil we mean British Petroleum. But today I am pleased with the fact that they are interested not only with economy, industry but also show interest toward Azerbaijan culture and music. As a result of it we are here not to discuss economic, political issues but to feel art, to listen music. The organizers of this are British Petroleum and Statoil.

Dear Friends, taking advantage of this opportunity I would like to express my gratitude to you for the care and sponsorship provided in some cases to culture, art, and music of Azerbaijan.

Perhaps most of the people assembled here only for their interest in the music, songs and art. But for me, it is a significant event and I am proud of it.

I am proud that the art, songs of Azerbaijan will be performed in the palace of one of the largest city of the world - London. I am proud that Azerbaijan has modern professional culture, art and music, which are based at the same time on the historic traditions of Azerbaijan people. I am proud that intellectual wealth is valued not only by us but also by our friends including out friends in Great Britain and they show keen interest toward it.

The fact of presence of so many people here is an evidence for that. I have other meetings after this, but I am pleased with this meeting in the end of the day.

I hope that the Azerbaijan culture workers, musicians and singers will represent the Azerbaijan at the highest level.

I would like once more to welcome you and say that I am glad to see all of you here. Thank you.

After that, the President of Azerbaijan Republic Heydar Aliyev met the State Secretary for Foreign and Commonwealth Affairs of United Kingdom, Robin Cook.
Having greeted the President of Azerbaijan, Mr. Cook expressed his pleasantness from the meeting with the world-famed, honored political figure of Heydar Aliyev. He said that the official mission of the head of Azerbaijan state to Great Britain is going very successful and is in the center of attention all over the country. The State Secretary accentuated a special interest of Great Britain to the countries of Caucasus and Central Asia and the key role of Azerbaijan in this region of the world, and emphasized his satisfaction with a more and more widening of relations between United Kingdom and Azerbaijan, and development of the cooperation between the countries to the level of strategic partnership.

Speaking about Azerbaijan's steady increase of relations with the Europe structures, Mr. Cook stated that Great Britain will promote the admission of Azerbaijan as a full member of Council of Europe and Azerbaijan will be supported from the side of Great Britain.

Having said that he is unknown with the results of the implemented democratic reforms in the Azerbaijan following the way of independence, Mr. Cook stated that the Great Britain observed the democratization process in Azerbaijan with the interest. The Foreign Secretary accentuated the importance of the president election in the course of democratization in the forthcoming autumn in Azerbaijan, and expressed the hope of election of Heydar Aliyev as a President for new term and wished him success. Mentioning the importance of expansion of cooperation within the framework of "Partnership for Peace" program of NATO to which Azerbaijan is adhered, Mr. Cook stated that in this field Great Britain would render any assistance to Azerbaijan. The state secretary recorded the necessity of performance of Azerbaijan and Great Britain from the single position in the international organizations and European structures. The state secretary noticed the importance of many-side cooperation between two countries, and requested the President of Azerbaijan to create necessary conditions for the activity of Great Britain Embassy in Azerbaijan with the purpose of extension cooperation in the political, economical and cultural fields.

Sharing his impressions from the official mission with Mr. Cook, President Aliyev mentioned that it goes successfully and he was pleased with the meetings with the Excellency Queen Elizabeth II and Prime Minister Toni Blair; and satisfied with the discussions and signed documents as well interest to Azerbaijan shown by United Kingdom. President Aliyev emphasized an important role of Joint Declaration about Friendly Relations and Partnership of the Prime Minister of the United Kingdom of Great Britain and Northern Ireland and President of Azerbaijan Republic Heydar Aliyev in the future development of relations between our countries.

Mentioning for the hope of opening a new stage by the mission in the relations between two countries, the leader of our Republic rated highly the even more strengthening of relations and the strategic nature of this partnership.

Speaking about our Republic chosen a way of independence, the President Aliyev pointed to the problems our Republic faced including the most serious
problem of Nagorniy Karabakh conflict. As a result of Armenian aggression to Azerbaijan beginning from 1988 20% of the Republic are under the occupation of the Armenian military forces, more than a million of Azerbaijan people are refugees and forcibly displaced people, and most of them live now in tents under the hard living conditions.

With the feelings of satisfaction President Aliyev remembered the vote of United Kingdom for principles of peaceful settlement of the conflict during the OSCE summit of member countries heads held in December 1996 in Lisbon.

President Aliyev pointed that while he and Azerbaijan accepted and stand on the proposal of co-chairmen of OSCE Minsk Group, Armenia had not yet expressed its attitude to these proposals, moreover Armenia did not observe the international law norms and decisions, resolutions issued by the international organizations for soon settlement of the conflict. The leader of our Republic stated once more that Azerbaijan would keep on resorting to peaceful attempts in settlement of this conflict and will not give any country even a small part of its territory.

Speaking about the economical reforms in our Republic, President Aliyev pointed that Azerbaijan had chosen the way of market economy and according to the reference of IMF and World Bank Azerbaijan takes the first place on its economical reforms among the former Soviet Union countries. He mentioned the importance of the oil agreement signed in the field of exploration of rich oil resources together with the foreign companies in Azerbaijan sector of the Caspian sea, and touching the issues of the export of produced oil he said that there is a necessity in the alternative oil pipes to take the oil to the world market. Speaking about the oil pipes routs, its construction and usage in detail. President Aliyev pointed that the laid rout along the Russian territory up to the Novorssiyusk port on the Black sea is already exploited for exporting the first oil, and currently there is another pipeline along the territory of Georgia to Georgian Supsa port on the Black sea under construction.

Considering the piping of the Main Pipeline from Baku, Azerbaijan through Georgia and Turkey to the Mediterranean Sea as necessary. President Aliyev mentioned about transportation of oil coming from Aktau port, Kazakhstan to Baku through Baku - Ceyhan pipeline.

Pointing the important perspectives of Europe-Caucasus-Asia transportation corridor and significance given to its exploitation in Azerbaijan, President Aliyev spoke in detail about the international conference to be held on September 7-8 of this year in Baku within the framework of EU TRASECA program for restoration of Ancient Silk Road, and expressed hope for the representation of Great Britain in this conference by high level mission.

Speaking about readiness of Azerbaijan for broadening the cooperation with the Great Britain in the European structures and "Partnership for Peace" NATO program. President Heydar Aliyev mentioned his hopes for encouragement and support of Azerbaijan in his intentions to be full-member of Council of Europe
from the side of Great Britain.

Azerbaijan President evaluated the priority of democratic principles in the republic, provision of political pluralism, protection of human rights and freedoms, liquidation of death penalty as the important steps towards humanization of the society. Speaking about the forthcoming president election, President Aliyev mentioned the measures taken to provide any conditions for free, fully democratic running of the election based on international norms with the participation of all people, so they apply every possibility to attract the people to the democratic process.

President pointed the important role of the mission in the history of bilateral relations and necessity to create all conditions for the purpose of expansion of activity for the embassies of the both countries.

Foreign Secretary Robin Cook was pleased with the meeting with the President Aliyev, and he admired with the President's wisdom, broad outlook, deep knowledge and long sight. Mr. Cook informed that Great Britain considered Azerbaijan as close partner and friendly country.

Mentioning the importance of the strengthening cooperation between Great Britain and Azerbaijan in European structures, Mr. Cook stated that UK would keep on encouraging attempts of the Minsk Group of OSCE, and he assured that Great Britain would do its utmost for peaceful resolution of the conflict between Azerbaijan and Armenia soon.

On the same day, State Secretary for Foreign and Commonwealth Affairs Mr. Cook gave a reception in honor of President Aliyev.

On June 23th President Aliyev during his official mission to United Kingdom of Great Britain and Northern Ireland visited Edinburgh in Scotland.

Lord Eric Miligan and other officials with hospitality met Azerbaijan President in the airport of Edinburgh.

The President was told about one of the beautiful and ancient city of the United Kingdom- Edinburgh. Although the first information about Edinburgh refereed to VI c., it got the status of the city only in XII c. In XV c the city was a capital of Scotland. In XVII-XVIII c with the unification of Scotland Edinburgh lost its importance as political and administrative center. In mid of XVIII c in the process of industrialization, the economical role of the city increased. In 30-s years of XIX trade Unions Council was founded in Edinburgh and chartist movement developed. Edinburgh is situated on the coast of the Northern Sea. Population is about half of million. There are food, electro-technique, coal mining and other enterprises. One of the attractive cities of Europe - Edinburgh is called "Northern Athens". There are narrow streets with the grant made tour buildings on the hills. Some of them are of 12 floors. Part of the city was built on the basis of architecture Ch. Creek's project and distinguished by classic style buildings.

Main architectural memories in Edinburgh are Royal Tower (XI-XVIIc),
Palace of Scotland Kings (XII), buildings of XVI c, building of Scotland Kings Museum.

It was pointed that in time of Labour Party in power of United Kingdom, Scotland was given significant freedom in political - administrative issues. It effected positively the improvement of the relations and settlement of some problems between Great Britain and Scotland.

Later, President of Azerbaijan Republic Heydar Aliyev visited the residence of Queen of Untied Kingdom in Edinburgh.

Queen's superintendent, Mr. David Anderson, welcomed President.

Familiarizing the President with the residence, Mr. Anderson informed that Her Excellency Queen stayed in the Royal Palace founded in 1128 by King David I, in summers.

Annually on the eve of New Year and on birthday of Queen, celebrations are hold here.

The ground floor of the King's Palace is kept for museum. On the upper floors are Queen's family apartments and a lot of receptions are hold there.

Giving information about the throne belonged to Georg V Mr. Anderson said that he was a grandfather of the Queen. If the number of guests exceeds 28, the reception is given in the salon.

Mr. Anderson gave information about unique works of art and persons depicted there.

Mr. Anderson was telling in detail about the history of expositions in the rooms as the President was walking the rooms.

There were beautiful eastern carpets. President recognized the antique Azerbaijan and Tebriz carpets. The British were surprised by awareness of the President of the secrete of carpet making.

Later President visited volcanoes near he King Palace. Mr. Anderson gave information for that.

On the same day, President Aliyev met the lord -provost of Edinburgh Eric Milligan in "City Chambers".

Mr. Milligan welcomed President. He introduced other high level officials to the President.

At the meeting the both. President Aliyev and lord-provost Milligan, delivered speech.

Speech of the lord-provost of Edinburgh Eric Milligan

Respected President!

Dear Guests!

I am pleased to welcome you here in the ancient center of Edinburgh. As a mayor of Edinburgh it is my pleasure to welcome the representatives of Azerbaijan for the first time. But the representatives of Azerbaijan mission were here before. For example, the prior lord-provost welcomed already the mission of Baku mayor in Edinburgh.
I am pleased to get this opportunity to greet the mission of Azerbaijan personally. I am honored particularly by the fact that the mission is headed by the President of Azerbaijan Republic.

Your Excellency, I know that your timetable was very intensive. Our officials from Foreign Affairs Ministry always make up intense schedule for the foreign state head missions.

We are informed that you’ve had meetings with Her Excellency Queen of Great Britain, Prime Minister, the number of ministries, representatives of business circles within the framework of mission to our country. There were times when the missions coming to Great Britain did not include visiting Scotland to their programme. We are glad that recently the state head missions paying call to our country include Scotland into their visit programme.

Such visit is a clear evidence for our country and city for increasing importance.

Mr. President, by your visit to Edinburgh, you honored our city. Edinburgh is about turning out to international center.

By laying a red carpet for the state head missions paying a call to our city, we are pleased that Edinburgh can welcome you.

We greet you and are waiting for the meetings with a great pleasure.

As a result of changes took place in your country recently, we form our side, increase information and impressions about Azerbaijan. We are aware of the positive changes and the results in the area of exploitation of rich oil and gas fields in your country.

You know that in Scotland there are also rich oil and gas fields. In connection with this you are kindly requested to see the representatives of business circles, especially those of oil and gas industries.

You have created a strong basis of long-term cooperation between Azerbaijan and BP companies. We hope that within the framework of your mission you will take additional measures to strengthen long-term cooperation with the business circles of our country and Scotland.

We are for the development of these relations.

Mr. President once more I express my pleasure to welcome you in Edinburgh.

I hope you will be pleased with the familiarization with our country.

I should tell you that Scots are very hospitable people. So, Mo movements towards North of Great Britain, more you meet warm and kind attitude.

Welcome Mr. President!

Speech of the President Aliyev

Dear Mayor!
Dear Ladies and gentlemen!
I brought greetings to Scots from Azerbaijan.
I am glad that a call to Scotland and Edinburgh was included to my program.
To come to Great Britain and not to see Edinburgh and Scotland mean you missed a lot.

We know the history of Scotland; it is a history of heroism. The Scots fought for centuries to preserve their national consciousness, traditions, culture and they always got their aims.

Mr. Mayor, your words support my thoughts.

Today is my fourth day of the mission to Great Britain. I am pleased to say that during the last days we did a lot of job. Meeting with Her Excellency Queen was of a special importance. My meeting with the new government members, especially Tony Blair and Joint Declaration on Friendly Relations and Partnership signed as a result of discussions, meetings are of great contribution to the future development of relations between Azerbaijan and Great Britain.

I am satisfied with my mission, meetings and results gained from discussions. I consider that Azerbaijan and Great Britain could create durable basis for the further development of relations between Azerbaijan and Great Britain. All or discussions and meetings were held in the atmosphere of mutual understanding.

We agreed on cooperation in all spheres of our countries - political, economical, scientific, and cultural. We felt hospitality here. We thank you for this. There are a lot of areas of our cooperation.

The main part of our economical cooperation is oil industry. To improve cooperation in this field, two days ago we signed agreement of great importance with the BP, Ramco, Monument Oil and Gas companies of Great Britain in the residence of Prime Minister.

It is known that the oil industry of Great Britain locates on the territory of Northern Scotland and Scot coastal zone of the Northern Sea. If I am not mistaken, Ramco is a Scot company. Thus, speaking about the cooperation with Great Britain we realize the special place of Scotland in it.

Edinburgh is a city of historical memories. It is a city of great culture. Edinburgh is not a city of only Great Britain but of a world. It produces technique and technology. It is known that there are enterprises of microelectronic production.

Thus, the city's ancient history, historical traditions, Scots' and Great Britain cultures are combined with the modern technology. Undoubtedly you are proud of that.

We are glad for you as your friends.

Mr. Mayor, you've spoken about relations between Baku and Edinburgh. We attach importance to the relations. I hope the visits of the President for Azerbaijan Republic to Scotland will develop these relations even more.

Thank you for the today's meeting.
After the meeting, lord-provost Eric Milligan holds official reception in honor of President Aliyev.

In the reception, high-level officials of Great Britain and Edinburgh were presented.

Edinburgh lord-provost Eric Milligan, and the President of Azerbaijan Republic delivered speeches.

**Speech of Mr. Eric Milligan, Edinburgh lord-provost**

Dear Mr. President!

We are here to contribute to friendship. Soon you have to leave Edinburgh for Grenchmaut for working meetings. I'd like you remember happy hours lived in Edinburgh despite of the intensive timetable of your mission to Great Britain.

According to the Scots' traditions we pour an excellent kind of Scotch whisky to let guests return home with good memories. This whisky should be produced in Edinburgh.

Mr. President, you are kindly requested to join this toast. This toast in the language of kings settled in Scotland sounds like "Slanceva". I propose a toast to you, Azerbaijan people, Scots, to all people!

**Speech of the President of Azerbaijan Republic**

Dear Mr. Mayor!

We really experience a happy minutes in Scotland and Edinburgh. I think, upon our return to our homeland we will realize the value of these minutes even more. Our present impressions are that the Scots are really heroic, courageous, and at the same time very hospitable and sincere.

You live in North. The climate is inclement here and the weather is always cool. But we feel that your heart is very hot. I am a person respecting national traditions. Because, at first, I love the national, moral, cultural traditions of my people-Azerbaijan people and try to propagate it; at second, I respect the traditions of other peoples and try to adopt positive features from their culture.

I propose toast respecting your traditions to the future of the friendship between Azerbaijan and Great Britain, between our peoples.

Eric Milligan: Dear Mr. President, You are kindly requested to accept the official symbol of our city and this silver bracelets. I assure you that nobody in Azerbaijan has such bracelet. Only I as an Edinburgh lord-provost can present them. Use it successfully.

Heydar Aliyev: I also present you these bracelets but I have other gifts also. This is a carpet of Azerbaijan. Today, while walking the residence of the Queen
I paid attention to the carpets. There were beautiful carpets. Undoubtedly these carpets were made in the East. In the east, the most important carpet centers are Azerbaijan and Iran. According to the pattern on the one of the carpets in the King's palace I found that this one was Azeri made. It is true that this carpet is not so large as that one. It would be difficult to transport it here. So I am pleased to present you this small carpet.

On the same day, President of Azerbaijan Republic visited the production complex of BP Company in Graincmaut. It is one of the large production centers of BP located rather far from Edinburgh.

President Aliyev was informed about this large production center on the map, it was pointed that oil from the Northern Sea fields is transported by pipeline here. The diameters of the pipes is 1 meter, the total length is 1 500 km. The farthest oil field is at a distance of 500 km. This pipeline transports 1 million barrel of oil daily. The water depth of the deepest oil field in Northern Sea is 200 meters.

The President of Azerbaijan was informed about refinery enterprises, chemical factory producing plastic things, and in the terminal the gas is separated from the crude oil and then it is transported to the plastic production factory. 20% of the produced crude oil goes to oil refinery factory.

Exposition of some car parts where the production of oil is applicable called interests.

On the same day the president Aliyev was taken to the bridge on Thames River by the special bus. The Present was familiarized with the area of location of pipeline of BP. As informed it is the longest pipe system in the world.

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On the same day, President Aliyev met the representatives of Scotland business circles in the hotel "Balmoral" in Edinburgh.

In the beginning of the meeting, director of Oil and Gas Directorate, British Trade International, Dr Ken Forrest delivered a speech.

Your Excellency Mr. President!

Thank you for sparing time to visit us despite of your intensive timetable. We are honored by your visit.

Dear Mr. President, we express our admiration on the progress achieved in Azerbijian under your successful leadership.

Mr. President, we met now in the capital of Scotland - Edinburgh. Despite 35% of the territory of Great Britain is covered by Scotland, population of it makes only 9% of the total population of Great Britain.

Despite of being so small, we are proud that Scotland contributed to science.
health, agriculture, law, education, language, literature and poetry in global scale.

Dear Mr. President, you know well that together with the oil production from the Northern Sea under difficult conditions, Scotland is famous in the world for such names as Alexander Grim Bell, inventor of phone; James Watt invented steam engine; John Mcadan discovered the asphalt coat; John Luktberg inventor of television; Alexander Fleming discoverer of penicillin.

Mr. President. I could speak about the modern Scot inventors even more. We, Scots - plain people, haughtiness is not for us. We are not accustomed to shout about our success and ability to resolve all problems. Mr. President, in the end of my speech I would like to assure you that the companies of Scotland are going to increase their activity in Azerbaijan. They intend to work not only in the field of oil industry, but also in other fields - agriculture, transport, and bank system.

Dear President!

Your compatriots are already made sure that the Scots enjoy the process of listening, planning, successful accomplishing. From us you will see sincere, ability to work; the industrious and tireless people of Azerbaijan will see progress and development.

Mr. President. I am pleased to invite you to deliver a speech.

Speech of the Azerbaijani President

Dear Mr. Chairman!
Dear Ladies and Gentleman!

I greet all of you and in the person of you all Scots from the bottom of my heart. I express my deep respect to your ancient and beautiful homeland and Edinburgh.

Today ends the 4-th day of my mission. After completion of my work in London, I had to come here according to my programme. This day I devote to Scotland and Edinburgh. I hope you have information on Azerbaijan. Nevertheless I will say a couple of words.

Azerbaijan is situated on Caucasus on the shore of Caspian Sea. It has very advantageous political and geographical position.
Azerbaijan has rich natural resources - on surface and underground available. Our Republic restored its state independence after the collapse of Soviet Union. During these 6 years, Azerbaijan follows the way of independence and freedom.
Azerbaijan has diversified economy, industry, and agriculture. The country has a developed infrastructure. Azerbaijan possesses significant intellectual resources.
Our people have an ancient history. Our people struggled for its independence for centuries. Azerbaijan possesses a rich culture.

You know, after getting independence from Soviet Union Azerbaijan lives a new life, transition period in all spheres. As an independent state, Azerbaijan builds state, forms society.
You know that Azerbaijan follows the way of democratic, legal, state structures formation process, tries to preserve its independence, forms the economy on the basis of market economy. To achieve all these goals, economical, political social reforms are implemented. These reforms cover all fields. Doubtless this reforms face difficulties. Nevertheless I am proud that these reforms give fruits.

Being a part of USSR, Azerbaijan was closed to the rest of the world. Today Azerbaijan has opened its door to the world. We follow the policy of "Open Door", we seek to bring all spheres of our life to the standards of world standards, to connect our economy to the world economy. We enjoy the first fruits in this field.

Azerbaijan is an ancient land of oil. In this respect Azerbaijan and Scotland are resemble. You are on the shore of Northern Sea, Azerbaijan - on the Caspian Sea. You are northern country, Azerbaijan- southern. Our climates differ but I think our peoples are not different much from each other.

Scots are hardworking, courageous people who preserve their national traditions and struggled for that. Mr Forrenst mentioned some of these names. You have right to be proud of them. Beside of this, Scots have centuries-old culture. Edinburgh is the city of the ancient memories. The territory of Scotland is a beautiful view. I love Scotland very much. I say that from my expressions. I was in Edinburgh for the first time 38 years ago. and now I am pleased of being here again. 38 years ago in 1960 I remember a lot. One of such is a bridge built in XIX on the bank of the Thames. I watched that bridge.

Generally speaking, bridge played a great role in the history of the humanity. Bridge played a favorable role among people, countries. My official mission to Great Britain is aimed at strengthening the bridge between Azerbaijan and United Kingdom.

I've had numerous meetings, discussion during this time in London and I met Her Excellency Queen. The meetings and discussions with the Prime Minister Tony Blair were of great importance, pithiness, and interest. We signed the Memorandum on Friendship Relation and Partnership between our peoples and countries. On July 21 to develop the cooperation between Great Britain and Azerbaijan, three agreements were signed with the companies of Great Britain including the ARDNS Company of Scotland in the residence of the Prime Minister. The agreement on intentions was signed between Scotland's "Morrison" company and Baku Executive Authority.

I think all these meetings, discussions, negotiations and signed documents initiated a new stage in the future development of relations between Great Britain and Azerbaijan and opened a new perspective. Tony Blair and my opinions on the development and broadening the cooperation in political, cultural, scientific and humanitarian fields coincided.

Dear Ladies and Gentlemen!

You are representatives of the business circles of Scotland. Doubtless that most of all you are interested in economical connections I think that we have
these relations between our countries and these relations are at a good level. More than hundred companies of Great Britain act in Azerbaijan. The investment of Great Britain's companies flow to Azerbaijan. For implementation of the first big "Century Contract" signed in 1994, "British Petroleum" invested into Azerbaijan 260 million USD for the last years. Another Scotland's company - Ramco company- invested 29 million USD. Azerbaijan International Operating Company founded for the implementation of the first contracts has placed orders for the amount of 350 million USD with the companies of Great Britain. They are indicators of our economical relations. But they are only the first steps of our joint work. We have even greater opportunity to develop cooperation.

I invite you, businessmen of Scotland to Azerbaijan to do a joint work. Azerbaijan created favorable conditions for that. At first, Azerbaijan is stable socio-politically. At second, we adopted important laws and regulation to attract foreign companies for work in Azerbaijan. We have a serious law on investment protection. The companies operating in Azerbaijan got opportunity to transfer income to their countries. It is regulated by our legislation. Azerbaijan has created socio-political and cultural atmosphere.

Edinburgh is a beautiful city and with the feeling of proud I say that Baku is a beautiful too. You can work and live in Baku comfortably.

The implemented reforms have renewed the economy of Azerbaijan. We overcome the difficulties of transitional period. I think that in this and in the forthcoming year our economy will progress even more. Attraction of foreign investment to Azerbaijan, along with the implementation of reforms, giving freedom to people, is one of the characteristic features of the Republic. The investment flow not only in oil sector but in other as well.

In comparison with the last year the investment to Azerbaijan in this year increased for 70%. I hope for the more growth in the second half of the year. The custom duties are very low in Azerbaijan. The number of banks function. The privatization programme is swiftly implemented. We privatized a small business. We start privatization of the medium and big business and did a lot in this respect. I mean privatization of International Bank.

The financial state of Azerbaijan is normal. The state was different 3-4 years ago. In 1994 Azerbaijan has a high inflation. In 1994 the inflation was of 1600%, in 1995-80%, 1996-6 %, in 1997-0.4%. Within the 6 months of this year inflation is at the same level. You are people who know this field well. The currency of Azerbaijan -manta is convertible and the value of manat has increased for the last years. Thus, Azerbaijan has a favorable investment climate as well as has created profitable economical and financial structures. However I do not want my words form an impression that everything is ideal with us. Our mistakes dominate our results. It is natural: we live in the transitional period. People faced new things in all fields and it is difficult for them to get rid of their past either in social-political nor in economical areas.

Democracy is a new thing for Azerbaijan. To provide it we adopted a demo
cratic constitution and laws. But people should get accustomed to this and all of them should have the same thought. We provide that. We create a market economy system. We have programs, laws we realize privatization. Mistakes are discovered. The bureaucracy sometimes abuses its positions. There is enough such mistakes. But all this is transitional. The permanent is that Azerbaijan follows the way of democracy, market economy, we have all conditions for development of entrepreneurs' activity, and Azerbaijan seeks to be tired to world economy.

Joint exploitation of the natural resources of Azerbaijan will be of advantageous for foreign investors and Azerbaijan itself. Thus, I invite you to Azerbaijan.

You have gained a progress in the oil industry. You have progressed for a short period of time, starting oil production from the Northern Sea in 1975. You work not only on your territory. You work in the number of countries. I invite you to work in Azerbaijan as well.

I hope my speech is enough for beginning of our talk. I am ready to answer your questions. Please.

Ken Forrest: You are requested to introduce yourself and the organization you represent while asking the question.

Question: I represent "Financial Times Energy" newspaper. Mr. President, a lot was said about bureaucracy problems and drawing in corruption. You are kindly requested to highlight the existence of such problem on the Red Bridge between Georgia and Azerbaijan.

Answer: I remember you asked me this question in London. I thank you that you followed me up to Edinburgh.

Journalist: It is true Mr. President, I visited you in London and I am a Scot.

Heydar Aliyev: You know well that corruption is a big trouble in every country of the world. None of the countries can say that it has not corruption. I suppose you also cannot tell that. However, it is undoubtedly that the extent of this differs from country to country.

You know that for a long period of time I was at the same time the leader of Azerbaijan and the member of Political Bureau of the Supreme Soviet of USSR. In that time, the corruption was struggled. There was theory, that the corruption is the rules of capitalism and spreads from capitalist country to socialist country. I also was among those who struggled with corruption. To be true I was not an author of this theory. I think wherever it comes form it should be liquidated. If you take the history of Russia, Russia struggled with the corruption 7-8 centuries ago. I am the first Azerbaijan political statesman who struggles with corruption. And today I consider the matter of struggling against corruption as the first duty for me as the President of Azerbaijan.

We realize that corruption is harmful for everybody. First of all it is harmful for our country. At the same time I should notice that all countries of former Soviet Union face the same problem.

You speak about the Red Bridge between Azerbaijan and Georgia. Yes, the
goods are transported from Azerbaijan to Georgia and vise verse. I cannot state that there is no corruption on this Bridge. But corruption is not only on this Bridge or in Azerbaijan or Georgia, but also in many parts of the region. If you want, I can give you information on how we will liquidate corruption, you have to listen to me for 1-2 hours. Will you stand this? I think you will not. That is why I'd like to say that this problem concerns us even more than you. We, government, as a power, show our position by declaring the existence of this problem. And our position is that we will keep on struggling against these negative cases, corruption, bribing.

I am not a dreamer, but I can say that corruption will be liquidated. The corruption in Azerbaijan will be prevented in a serious manner. I believe that, thank you.

**Question:** My name is Robert Rolsen, I represent "Morrison" company.

Mr. President, we are glad that we have signed an important document with the Baku Executive Authority in the beginning of the week. I hope will start building the Hotel "Hilton" on the Baku boulevard.

Mr. President, You said that, you come to Scotland for the first time 38 years ago. I was in Azerbaijan 9 years ago. Since that time a great changes have taken place.

My question is as follows: is Azerbaijan able to adopt property bonds ahead of its neighbors first of Russia. If Azerbaijan takes this step as soon as possible, it would contribute to attraction of foreign companies to your country.

Heydar Aliyev: the State Advisor on Economical Policy Mr. Vahid Akhundov will answer this question.

**Vahid Akhundov:** Mortgage credit issues are under consideration now. The relevant laws on allocation of this type of credit have been adopted. The private bank sector develops and strengthens in Azerbaijan. The strengthening of the bank sector, and as a result of increasing of its foundation capital, the extending of the credit opportunities in Azerbaijan is obvious. Finally, I should mention that the process of law formation progresses in Azerbaijan. For example, we have law on land privatization. Execution of the municipal and city land privatization issues is getting over. We have legislative basis for private housing building.

Thus, I would say that as a result of the policy followed by Azerbaijan, there is a progress in the matter of credit allocation for lodging this year. I think it will result in reviving next year.

**Question:** I am a representative of "Caspian Trade Center" company. I have a close connection with a lot of companies. I want to come to Baku to work.

My question is about education. What kind of work is done to learn the western technology?

**Heydar Aliyev:** We are also interested in this. We want our youth get education and experience on the international standards. We have already started this work. Serious reforms are under implementation in Azerbaijan in the education system. We have good human resources. The representatives of the companies of your country can say that 90% of the employees in the offices in Baku, which
work on implementation of the agreements in Republic, are Azerbaijani. I think the positive aspect of the work of United Kingdom's companies is that from time to time they take our experts to Great Britain for training and practice and return them to Azerbaijan again. I know that a group of experts from Azerbaijan had practice in Scotland.

I am glad that you pay attention to this field. You said that you are interested in this issue. I ask you to go in for it even more. I thank you for the work you have done so far. Thank you for today's meeting. I invite you to Azerbaijan. Azerbaijan as democratic state following the way of market economy has a bright future. We go to this future with our friends who work with our country and us. We consider you as your friends and want to go to this future with you.

I wish you every success in your work. I wish Scotland and Edinburgh peace, and prosperity. I wish health and prosperity to all people of United Kingdom.

On the same day, the President of Azerbaijan Republic met compatriots living in Scotland.

Mentioning the importance of formation of Azeri diasporas and strengthening its activity progressively, unification of energies in informing world community of our just cause, President Aliyev said: My dears, never forget your homeland, native language, traditions of our people, keep in close touch with our republic.

On the same day. The Minister of State at the Foreign and Commonwealth Office Doug Henderson gave a reception in honor of President of Azerbaijan Republic Heydar Aliyev in the Royal Castle.

At first. President of Azerbaijan familiarized himself with the castle. He was informed that the castle is preserved as the symbol of Scotland. The volcanic rock on which the castle was built came out to the surface as a result of explosion in the earth layers on our planet 340 billion year ago. People settled here three thousands year ago in bronze epoch. In I c AD. the castle was captured by Rome troops. In 1093, after the death of Queen Margaret, this castle turned out to be a special Royal castle.

The castle of Edinburgh has been considering as the most important castle of Scotland during all medieval ages. The local people consider the history of castle as the history of Scotland.

Since XVI c the usage of the castle as residence of king decreased. Later this castle was preserved at official level as a symbol of Scotland.

The reception in honor of President Aliyev was given in one of the remarkable room of the castle. By tradition, reception is given here only in honor of respected guest. As a sign of profound respect to outstanding statesmen Heydar Aliyev, the reception was hold in this king castle, unique sample of Scotland history.
The high level officials of United Kingdom, leaders of Edinburgh and Aberdeen cities, statesman, diplomats, representatives of the business circles of Scotland participated in the reception.

The Minister of State at the Foreign and Commonwealth Office Doug Henderson and President of Azerbaijan Republic Heydar Aliyev delivered speech in the reception.

Speech of the Minister of State at the Foreign and Commonwealth Office Doug Henderson

-Mr. President!
-Dear Ministers!
-Dear Edinburgh lord-provost!
-Ladies and gentlemen!

I welcome a visit of President of Azerbaijan His Excellency Heydar Aliyev to Scotland.

I would like to begin my speech with the words I said in the reception held in the Ministry of Foreign Affairs in London.

The historical mission should be hold in the salons and rooms bearing historical significance. The salon where we have assembled this evening is of greater historical importance than Locarno room in London. The rock on which the castle was built counts three thousands year.

Built on XI century this castle was considered as the most important king's castle for centuries. This castle turned into symbol of Scotland.

As a Scot and a person born nearby this castle, I am honored to welcome you. In XIII century Queen Margaret called this castle "lonely, silent, gloomy ". Today our castle lives its joyful minutes. We are here with the president of Azerbaijan, Heydar Aliyev.

Mr. President, I am glad that during your mission to United Kingdom and Northern Ireland you have spared time to visit Scotland.

There are sound reasons for building political and economical relations between Scotland and Azerbaijan. Unfortunately, you did not visit the oil center of Scotland -Aberdeen. To fill this gap we have invited our friends from Aberdeen as well.

Mr. President, Scots speak English with the specific accent. Taking this into account I have invited additional translators.

Dear Mr. President, You are already familiarized with the most of representatives of Scotland's business circle presenting here. They proved that they want to do a long-term work in Azerbaijan. I hope that the mayors of Baku and Aberdeen will sign memorandum on the development of relations between these blood brother cities.

Mr. President, as I told you in the meeting with you in the beginning of this week. Great Britain sees Azerbaijan as its strategically partner on the shore of
Caspian Sea. In the expansion of the relations between our countries are more important aspects than economical matters. I think we have already worked out the schedule of the future relations. To implement this schedule we should closely work with the Azerbaijan Embassy in London and your state should work with UK Embassy in Baku. Mr. President, during the meeting of Prime Minister of UK with you, the political aspect of Great Britain-Azerbaijan relations was emphasized as the most important. The Ambassador of Azerbaijan in Great Britain and the number of officials of your country know well that Great Britain pays much attention to the Caspian region and relations with Azerbaijan. We aim at strengthening relations with all Caspian region countries especially with Azerbaijan. We think that by strengthening political relations with Azerbaijan, we thereby develop economical and cultural relations.

Mr. President, I am aware from our talks in the beginning of this week, of dominating the number of Great Britain companies over USA’ companies in Baku. I think that your mission to Great Britain is the evidence of this fact. We fully believe in Great Britain, that we should develop relations in every possible field with Azerbaijan. From this point of view, relations between Scotland and Azerbaijan are of special importance.

Scotland and Azerbaijan have a lot of common features. Signed agreements in oil fields, and implementation of the international consortium provided new workplaces for Scots.

Mr. President, I believe that, signing of the new agreements with the participation of you and the Prime Minister of Great Britain in London will provide even more workplaces.

The works of all Scot companies operating in Azerbaijan are appraisal. But I would like to mention "Ramco" and "Morrison" companies especially.

Dear President, I consider your mission to United Kingdom as a mission bearing historic significance. I hope you also consider the work carried out with the side of Great Britain fruitful.

Mr President!

Dear guests, ladies and gentlemen!

I request to you to raise your glass to the President of Azerbaijan Republic!

Speech of the President of Azerbaijan Republic Heydar Aliyev.

-Dear Mr. Minister!
-Dear Mr. lord-provost!
-Dear Ladies and gentlemen!

My mission to UK is coming to end.

It is the fourth day that I am in your country with the official mission. The fourth day of my mission is devoted to Scotland, Edinburgh.

Summarizing the days spent here, I can say that my mission was successful, and I am satisfied with all talks, meetings, and discussions. I am frequently asked
whether my mission program is intensive. I answer that there are a lot of meetings and works but it does not tire me at all. Because in every meeting, in every talk conducted by me we discussed the perspectives of relations between United Kingdom and Azerbaijan and reached a good results.

Meeting with Queen was a historic event for me. I am pleased with that meeting. I am glad that we have gathered here in this unique king place, in this castle.

I hope that, there is connection between the meeting with the Queen and our meeting in this historical-architectural memory. In our numerous meetings in the UK we discussed the development of the relations between our countries and we always were unanimous.

My meeting and discussion with the Prime Minister Tony Blair was of particular importance. We discussed the extension of relations between our countries, international problems, and political and economical issues in our region.

The Joint Memorandum on Friendly Relations and Partnership between United Kingdom and Azerbaijan as signed by the Prime Minister and the President of Azerbaijan. This Memorandum covers the relations between our countries almost in all fields. During discussion we come to the same conclusion on the economical and other issues, political issues on our territory, development of relations between our countries.

Foundation of the Anglo - Azeri Society is a historic event in the relations between our countries. I participated in the assembly of Society with a great feel of enjoyment. I'd like to notice that the participation of more than several hundred people in this meeting is the evidence of the great interest to the relations between Azerbaijan and Great Britain.

A big conference on "Doing Business in Azerbaijan" on the economical opportunities in our Republic, investment problems in Azerbaijan was held in London by the special organization. Along with the representatives of the business circles of your country, special representatives from other countries were also presented in this conference. I hold a detailed speech on the investment opportunity in Azerbaijan and its future. Various ministers representing different fields accompanying me in this mission in UK gave full information on the economical state in Azerbaijan and on problem of formation of economical relations.

Finally I am in Scotland today, in Edinburgh. The lord-provost of Edinburgh extended a cordial welcome to us and we had a good meeting with Mr. Milligan.

I said it when I came here and I want to repeat it: if you come to UK and did not see Scotland you have seen nothing. It was my dream to come to Scotland. I thank you that you realized my dream.

Scotland is a special place. My friend, Mr. Flenderson, informed me about the history of Scotland. I can add to it but there is no need for that since you know that. I just want to say that here is a beautiful land. Here live very courage and heroic people. Scots were always distinguished by their fame. The most of features, which make UK familiar to the world, belong to Scotland. The oil of your country, the most beautiful views, and forests are all here. The oldest castle of
your country is also here.

There is another feature that makes Scotland famous it is Scotch Wisk. Scotch Wisk is popular in the world. Azerbaijan also has a lot of drinks. Azerbaijan is a land of wine-growing.

Dear Friends, I will return home with the feeling of satisfaction. We together do a valuable work. These days we have bring UK and Azerbaijan together, determined the future programme. I hope we will realize this program. That is why I consider this work very successful.

Dear friends, the ground for this success is attention, care, and friendly attitude toward Azerbaijan. As a result of this mutual trust, we have come to the same conclusion on our cooperation, in the field of policy, on necessity of such cooperation.

I'd like to say that we feel friendship, care, and hospitality from your country for a all days, hours, minutes we spent here. I thank you for that.

They said that northern people are cold usually, and the southern people are of hot temper. I think that such thought is wrong. During these days despite of cool and rainy weather, we felt very warm attitude every hour. All this is an evidence of candid relations between our peoples.

I invite all of you to Azerbaijan. You are our respected guests. The climate and weather are warm there, but our hearts are even hotter. So in Azerbaijan you will feel the same hospitality and warm attitude we received here. I thank you and all UK leaders. I thank Minister, and all Scots for this reception in this beautiful castle.

I wish your country, people, UK and all citizen peace, prosperity. Thank you.

On the same day, July 23, Mr. President Heydar Aliyev returned form Edinburgh to London. In the Edinburgh airport, the President Aliyev were seen off by the representative of Queen in Scotland, Mrs. Margaret, Minister of Foreign Affairs of UK Dag Henderson, lost-provost Erik Milligan, and other officials.

On July 24, Azerbaijan President attended Azerbaijan Cultural Center in London. The leaders of a number of companies operating in Azerbaijan, culture devotees, our compatriots living in London welcomed the President warmly in this center. President Aliyev watched exposition newly opened in the Center. Outstanding sculpture, artist, member of Milli Medjlis Omer Eldarov informed the President on the exposition, (shekil)

The works of the famous artist Sattar Bahlulzadeh "Oil rhythms". Portrait of the Worker of Omer Eldarov, "Composition by Elbay Rzakuliyev", "Night at Neft dashlari", "Neft dashlari" by Mirismail Jafarov, "Reservoirs in Bayil", "Caspian sea" of Nadir Gasimov, "Absheron motif by Arif Huseynov, "Caspian sea " by Mirzaga Gafarov, "Black shore" by Anar Aleskerov, "Construction" by Togrul Dadashov were exposed at this exhibition.

The leader of our state watched the works with a great interest and appreciated organization of such exhibition in London. President Aliyev familiarized
himself with the last issue of "Caspian" magazine and he was pleased with the publishing of such magazine in UK. One of the publishers of this magazine, Muslim Eldarov, informed the President about the materials and content of the last issues.

After that, President met with the leaders of "Monument Oil And Gas", "Shell", of Great Britain and "Texaco" of USA in the Center. The General Director of "Monument Oil and Gas" expressed his pleasantness to meet President and said: Mr. President I am pleased to see you in Great Britain. Unfortunately I could not go with you in Scotland. But I heard your mission to Edinburgh was successful. President thanked for the warm words and said: Yes, my visit to Scotland was very successful. The Minster of Great Britain Mr. Henderson was also there. We talked with him and he gave a big reception there. The reception was hold in the ancient royal castle of Scotland.

Tim Eggar: Mr President I have not been awarded to have lunch there.

Heydar Aliyev: Not every person is allowed admission there. If you joined me, it would be possible. I will take you there next time.

There was a big reception in the King castle. The Scot music played on the national instrument was very pleasant.

Tim Eggar: The concert of Azerbaijan cultural workers on June 23 in the museum "Victory and Albert" was great. I wish they had 2-3 day more to stay in UK and show they skills in the palaces of UK. There is a necessity for this.

Heydar Aliyev: Yes there is. We enjoyed the concert together. Very important persons of Great Britain assembled in the salon of the museum. The Azerbaijan artists showed their skills are good. I listened these performers a lot of times. But I was agitated during this concert.

Tim Eggar: Mr. President I assure you that Britain- Azerbaijan Society will keep on arranging such events.

Heydar Aliyev: I have spoken about a number of issues during my speech in the reception hold in Edinburgh. I mentioned the importance of the event of foundation of Anglo - Azeri Society. Mr. Eggar, you and the Embassy of Britain in Azerbaijan did a lot in this direction. When I was here 4 years ago everything was dried then, nothing was done then. Today we have society.

Doubtless, that our relations will keep on developing. You presented me a Britain- Azerbaijan society at a high level- it is a great event. I hope you will continue this work and the chairman and you will progress this society.

President Aliyev talked with the leaders of "Shell" of UK and "Texaco" of USA companies about cooperation and strengthening relations between Azerbaijan and these companies.

Executive director of "Shell" Phil Watts pointed the honor of the meeting with the President of Azerbaijan Heydar Aliyev and interest aroused by his official mission to UK.

President Aliyev emphasized that all conditions will be created in Azerbaijan for extension of cooperation with Shell, and Texaco.
After that, in the Azerbaijan Cultural Center in London President Aliyev talked with journalist of "Samanyolu" television of Turkey and Azerbaijan journalist participating in the mission, he replayed questions.

**Question:** Mr President, what can you say summarizing your official mission?

**Answer:** It was a great mission; I am satisfied with my mission. It is my fifth day here. We had important talks and meetings; a good basis was founded for the raising UK and Azerbaijan relations.

Our relations have been good up to now. But today we have durable basis for fast development of cooperation. It is very important. A new government is at the power in UK. You know that as a result of the election Layborists party came to power. They were in opposition for 18 years. I knew that before. The government representing Layborists party strengthens relations not only with Azerbaijan but generally all foreign policy.

Great Britain has a great interest to the region connecting Europe and Asia. It is not only economical but also political interest. In their declaration it was stated that they give a special place for Azerbaijan in the foreign policy. We accept all of this. Azerbaijan seeks to expand cooperation with all European countries including Great Britain.

From this stand, the work done during my mission to UK was of great importance. I spoke about the Turkey-Azerbaijan relations and Baki-Ceyhan pipeline in detail. I spoke with the Prime Minister of UK about Baki-Ceyhan pipeline.

On July 23 I had a meeting in the Royal Institute of International Relations in London a lot of people assembled there. In my speech in the Royal Institute I stated the importance of the Baku-Jeyhan pipeline laying.

**Question:** Mr. President please informs us on your mission to Scotland.

**Answer:** My mission to Scotland was very successful. Like in London, my timetable was very intensive in Scotland. I realized all programme. All meetings were successful.

On July 23 I met the representatives of business circles of Scotland in Edinburgh. We had detail talks. We had meetings with the city's lord-provost and other officials. We observed the Scotland's historical memories. We familiarized ourselves with the production complex of British Petroleum. They showed me the process of oil transportation and production in the port near the Thames Bridge. BP has a big museum in its production complex there. All work done by BP is represented there.

There is a castle in Edinburgh built in XI c. by Scotland's kings. This castle is the most important historical-architectural memory of Great Britain. A big official reception was hold in this castle. You know, this castle is disposable to the Queen. Mr. Henderson, the Minister of State at the Foreign and Commonwealth Office of UK was presented in the reception. We had useful talks.

Doubtless that Scotland is a big part of UK. But they also have they desires and dreams. The Scott businessmen do a good work in Azerbaijan. We had talks...
about broadening of this works. I am satisfied with the mission to Edinburgh. We returned from there very late.

**Question:** Mr. President, you are kindly requested to tell us about your talk with Her Majesty Queen.

**Answer:** With Her Excellency Queen we had a very good talk. We discussed a lot of issues.

The mission of the President of Azerbaijan Republic to United Kingdom of Great Britain and Northern Ireland came to end on July 24-th.

On his way to Baku from London, in the air, President Aliyev gave interview to the Journalists about the results of his mission;

My mission to Great Britain is over now. We are returning home. In an hour we are landing in Baku airport. You participated in most of my meetings. I hope you have your own observations. But summarizing my mission, I would like to say a couple of words about this mission.

As you know it was a mission upon the invitation of Tony Blair, Prime Minister of the United Kingdom of Great Britain and Northern Ireland. Now when the mission is over I think that the mission was important, the meetings and talks were fruitful. Summarizing the results of mission, I think that it was successful to Azerbaijan.

The relations between UK and Azerbaijan were created after getting of independence by Azerbaijan. But interstate, intergovernmental meetings, signed agreements were during my first mission in February 1994. I think that in those first years of Azerbaijan independence that mission was important. We signed a lot of significant agreements, documents. I met a number of ministers in Great Britain. Secretary of State for Foreign and Commonwealth Affairs was in Azerbaijan with the mission and a number of important documents between our countries were signed.

You know that there are changes in the government of UK. Conservative Party, which had been in the power for 18 years lost the election, and Laborist Party has come to power. Thus, the nature of the government changed. The point of this mission was to broaden policy of the new government of UK toward Azerbaijan, develop it. I got official invitation i.e. I carried out this mission upon official invitation.

We had numerous talks. Dilara Seyidzadeh informed me that we had 46 meetings. But the point is not in the number, although there is a particular sense in figure. You know that I started my meeting from July 20 at 9:00 in the morning and held meetings until my arrival to airport. Today, I think that the last five days were very successful according to the aims imposed. Each of the numerous meetings has its own particular significance and sense. All of these reflect the
state of relations between Azerbaijan and UK and provide basis for the development of these relations in the future.

It is obvious that among these meetings, the meeting with Her Excellency Queen was of special significance. You know that this country has special historical traditions and they are true to their traditions. The Queen meets the heads of the foreign countries rarely. In 1995 during my participation in the celebration of 50-th anniversary of World War II victory in London I had talk with the Queen. But that meeting was in the framework of that occasion. But this time it was a meeting of state head of Azerbaijan Republic and Queen of UK of Great Britain and Northern Ireland. We had opinion exchange on a number of issues. Most of them were of political nature. The Queen was interested in Azerbaijan history, culture.

I had meetings with a lot of officials. On July 21-st as a result of the meeting and talk with Tony Blair, Prime Minister, an important documents were signed. I met Tony Blair in 1995 during the celebration of 50-th anniversary of World War II victory, when he was a leader of the opposite party.

We met also in the sessions of international organizations in Madrid and Strasbourg. But these meetings were limited. On the contrary, this meeting I consider a top of my mission to Great Britain. We discussed a lot of issues on the broadening cooperation between our countries in detail. As in other meetings, I felt in that meeting that UK of Great Britain and Northern Ireland seek to broaden relations with Azerbaijan, make them many-sided.

Prime Minister Tony Blair repeated several times that they pay a considerable attention to the broadening of economical cooperation. These relations are in good level. But we should broaden and develop political cooperation as well. It was the main idea in all meetings with the officials. And the Prime Minister expressed it in wide sense.

I felt that UK is interested in the region of Caucasus and Central Asia and seeks to play an active role in the region from political and economical point. Following the Prime Minister, the Minister of Foreign Affairs stated that they would expand the staff of their embassy in Azerbaijan. He requested me to help them in finding new building suitable for their expanded embassy. All these prove what I said.

Finally, everything leads to this thought. Prime Minister Tony Blair stated this idea on July 21-th during our meeting and the Minister of Foreign Affairs Doug Henderson emphasized the same idea.

You now that the Ministry of Foreign Affair of UK consists of two ranks. One of them is high under leadership of Robin Cook, and second rank is leaded by Doug Henderson. Mr. Henderson came to Edinburgh on July 23 in connection with my mission. They gave a big reception in our honor in Edinburgh. Doug Henderson stated in his speech that the relations between our countries should carry the strategically nature. I stated my agreement.

Thus, I think this mission, talks, meetings made Azerbaijan familiar to other,
proved the significant role of our country. In the speech on the occasion of signing the
document on July 21, Prime Minister Tony Blair stated that Azerbaijan should play a key
role in world policy.

I am pleased with all this. Great Britain is one of the influential countries in the
world policy. It is a permanent member of Security Council of UNO, it has ponderable
voice in the OSCE, EU, Council of Europe. That is why it is important for our country to
broaden relations with this country.

We discussed all issues during the meeting with Prime Minister. We touched the
Armenian- Azerbaijan conflict, its origin, reasons, the present state of affairs, and the
position of our country on this matter. Great Britain is quite agreed with our stand. All
this was reflected in the Joint Memorandum signed.

You know that Tony Blair, Prime Minister of UK and Great Britain and the
President of Azerbaijan Republic signed Memorandum on Friendly Relations and
Partnership. All articles providing positions of Azerbaijan in international community
including settlement of the Armenian -Azerbaijan conflict on the basis of three
principles adopted in the Lisbon summit of OSCE were reflected in the Memorandum.
Doubtless that before our talks, the content of the memorandum was ready. But I
especially deepened this issue in our talk--I said that we would never agree with the
granting independence to Nagorniy Karabakh. We are for peace and the problem should
be settled peacefully. But we can never agree with the giving any part of our country to
anybody. This is our principal and strict stand. We will not give up this stand.

The Prime Minister supported this for 100 %. He told me that there are
international law norms, principles of OSCE and UNO and they are unchangeable. That
is why I always say that and say it now: the side of Armenia will understand it later or
early.

I am pleased that this issue was discussed not only with him but also in the other
meetings in detail. I talked about it also including my speeches on the conferences.

Another topic in the center of our discussion with the Prime Minister was
Europe-Caucasus-Asia transportation line, work done in the area of restoration of the
great Silk Road. The Prime Minister paid a great attention to this issue. I explained him
in detail the history, sense and significance showing the map. He was pleased. The Great
Britain joined this business. Great Britain will doubtless participate in the summit
meeting -conference to be held on September 7-8 in Azerbaijan. I mentioned that the
result of the meeting with the Prime Minister was the signing of the political
memorandum in his residence and the agreements were signed with the big companies of
Great Britain. The agreement signed with BP is a big agreement about one of the rich
oilfields of Azerbaijan in Caspian Sea. There are three fields, during exploration they
were named differently: but now when signing the agreements, new names were given-
"Araz", "ALov' and "Sharg" fields. Three of these make a big block. The agreement on
giving the production sharing of 30 % to BP-Statoil was signed. I consider this agreement
very important. There are a deepwater fields and this company has facilities and experience for work there. I think it is very perspective.

There is another field- "Inam". It is also a rich field. Foreign companies showed a great interests to this field and those signed in the agreement but BP. But BP submitted the highest economical proposal that is why we sign the agreement with them. You know that these agreements were worked out and signed as a result of competitive tender. A lot of companies showed interest to the fields. Finally we signed the agreement with the companies, which offered the highest economical proposal.

The agreement on "Inam" field was signed with the "Monument Oil' of Great Britain, "AMOCO" of USA and new company of Moscow.

We had field called Murdakhanli. If I am not mistaken this oil field was explored in 70-ths. We produced good oil then. Later this field cannot be exploited well and now it gives little oil production. Ramco showed interests to this field for a long time it had a number of proposals. You know that we signed agreement with the Morison company for building hotels and business centers in Baku. It is a private company engaged in construction activity.

Thus, I think that political memorandum and signed agreements are of great significance. Generally speaking, there are a lot of normative-legal documents regulating relations between our countries, especially economical. That is why there is not necessity to sign any additional document.

I told you that I met with a number of officials. All of these meetings were important and necessary for us. This initiative comes from their side.

I had a few other meetings there. For example, there is a special council in Britain dealing with the educational issues in Azerbaijan. The leader of it met with me. I want to notice particularly Anglo-Azeri Society and meeting the members of this society in the large salon of the hotel. It was a great event. I remember that in 1994 on February Great Britain was just a world power for Azerbaijan. Our embassy was just opened there. During these four years our relations have been so broadened, the interest to Azerbaijan so increased that Anglo- Azeri Society has been founded. The founders of this society are famous people-ex- ministers, persons playing an import role in the social and political life. It is very important. I appreciate it very much.

I think that the most significant of my meetings are those held in large auditorium. You know that on July 22 a big economical conference was opened in London. The "ABS" company of Great Britain organized the conference and preparation was conducted for 6-7 months. It was an international conference and the participants visited it on their own expense. There was a participation fee.

You see that the interest to Azerbaijan increases. And assembling of more than three hundred persons in the salon is the evidence for that. All of them were businessmen form Great Britain and other countries. Some of them wanted to hold a speech. A number of ministers from Azerbaijan were invited to the conference.
I hold there in introduction speech. You participated there and you know the content of my speech. But the significance of this conference is that it showed the interest to Azerbaijan economy, increase of a number of people wishing to work in Azerbaijan which in its turn shows that there is normal conditions for foreign investors to work in Azerbaijan. Without these conditions they would not have come here. Prime Minister and other ministers noticed that there are more than 100 companies of Great Britain working in Azerbaijan. Through that we encourage competition between USA and Great Britain. They see that today the number of Great Britain's companies is high. It is, and it is a good indicator. Therefore I appreciate this international conference very much. It will produce great results.

Along with this, I think that my meeting in the Royal Institute of International Relations was very important. Last time I also had a meeting there. There was an interest to Azerbaijan since that time. But today I can see that the interest to Azerbaijan increased even more. The salon was full. The people assembled there were the representatives of politicians, officials from political institutes, journalists, ambassadors and representatives of various embassies.

The meeting carried a pure political nature. Therefore I spoke only about political issues and first of all about the history of Armenian-Azerbaijan conflict, its current status. Unfortunately our propaganda was very weak. Despite Armenia started this problem, aggressed against Azerbaijan, occupied our lands, drove away more than million Azeri from their lands, it has a strong propaganda. Its Diaspora was very strong. Being more experience in the field of propaganda, they surpassed us in this.

As a result of it, in many cases Azerbaijan is believed as a guilty for that problem. I think that the most important result of our foreign affairs system for the last years is finally we could informed the world on the reality and changed the public opinion. Doubtless that Armenia is still strong in propaganda. It has strong Diaspora, people. Most part of the work is done by Diaspora rather than by Armenian government.

We have neither Diaspora nor lobby. Therefore we count on our foreign affairs system and opportunities. The work done by us is giving its results and from this stand the meeting at the Royal Institute of International Relations, my speech there was very important.

The mission to Scotland in Edinburgh was also very important. You know that Scotland takes an important place in Great Britain. You know that they have their own internally problems. There was war between England and Scotland ages ago, then they unified. Today they want to receive some authority. These intentions are realized partially.

Scotland is the developed part of the country and most of oil industry bases here. Therefore I accepted their invitation. I familiarized with the work of BP there. The technology of BP in the field of oil production and refining was of great importance to me.

Edinburgh is a historical city of historical memories; there is a royal palace.
which is especially piously for them.

I had a meeting in the mayor office. Had very fruitful talks with BP. They gave there a big reception. Before that I had meeting with the business circles of Scotland. It also was very important meeting.

Finally, we visited the castle built in XI century. This castle was opened for us, although they open it only occasionally. This meeting was of political importance. The minister hold a speech summarizing our mission, you will be familiarized with this speech. I also hold a speech there.

Generally speaking, the mission was very important, interesting and I am pleased with that. I think that I fulfilled the authority given to me by the Azerbaijan people with dignity. Thank you that you were with me during these days of mission.

Rafael Huseynov (reporter of Voice of America Radio on Azerbaijan): Mr President, despite there is not time for question I would tell one comment. Usually you provide us with every condition in accessing required information in the international meetings and those held in Baku. We have become accustomed to that. Generally speaking, the world practice is that journalists are imposed various restrictions. If those restrictions were in Baku, they would say that Heydar Aliyev violated democracy.

Heydar Aliyev: So you can see the publicity and attitude to press here and in the advance society.
The President of Azerbaijan Republic Haydar Aliyev received the heads of the "Ramco" company of Great Britain - former British Foreign Secretary, the member of the board of directors company Malcolm Rifkind and the president of the company Steve Rempy in presidential residence on 16th February 1999.

Talking about the great interest of Great Britain towards Azerbaijan Mr. Rifkind said:

"Mr. President, we remember your official visit to Great Britain with great pleasure. It was very successful visit and after passing weeks, months we see the positive results of it. The relations and consultations are enhancing between Azerbaijan and Great Britain. We also should note that the interest to Azerbaijan increased in the parliament of United Kingdom, the discussions concerning your country are extended. In the House of Commons and in the House of Lords the discussions over Azerbaijan are expected to be held. Mr. President, I think your official visit to Great Britain caused this interest to be improved.

Mr. President, with great pleasure, I would like to mention that the cooperation in economical and political sphere between our countries is very good indeed. I think that now in United Kingdom they understand Azerbaijan rather well. Mr. President, in order to extend this cooperation we look for new ways." After expressing his gratitude President Heydar Aliyev said:

"You know that, Azerbaijan wants to extend the relations in all field with Great Britain. That's why any kind of activity done in this direction is significant. As I stated in London, it found its place in the signed statement that the relations between Azerbaijan and Great Britain is of strategic cooperative character. Our relations are not simple economical cooperation. We do all our obligations that we have undertaken in this field and shall do in the future as well. There is no doubt that our partnership with Ramco is a part of this cooperation.

The representative of Great Britain, the Business and Industry Minister for Scotland, Lord Mcdonald, came to Azerbaijan in order to take part in the 6th "Caspian oil-gas-99" exhibition held in Baku June 1st 1999. In the opening ceremony's speech Mr. Mcdonald said he was proud of the fact that British companies support Azerbaijan in oil industry's restoration and development and also in formation of two powerful drilling structures - "Dada Gorgud" and "Istiqlal", and in constructing the west pipeline.

On August 11-13, 6 members of parliament group from all parties Britain-Azerbaijan had a visit to Baku. The President of Azerbaijan Republic Heydar Aliyev received those representative staff in the presidential residence on August 11.

In that meeting the President Heydar Aliyev appealed to them:

Dear guests, I welcome all of you, you are welcome to Azerbaijan! I am very glad that you accepted my invitation offered by me in our meeting in London last year.
Last year, approximately in this time, may be it was before this time, it was summer. When I had an official visit to Great Britain, there were same significant meetings there, and very important documents were signed between our countries. The meetings with prime minister Tony Blair also were significant. I also remember the meeting with Her Majesty the Queen with great pleasure.

We had great deal of meetings with ministers too. There were meetings in parliament too. Especially the meeting with Azerbaijan-Great Britain parliament's "Friendship Group" was significant. And it is natural that all these factors develop the existing relations between Azerbaijan-Great Britain. I think that after my last year's official visit. Great Britain did a lot in this field. The friendly attitude of Great Britain's parliament towards Azerbaijan gladdens us.

For all these, I am glad to see you here, in Azerbaijan, you see today's state of the country, and now we have opportunity to negotiate with you. I think that, these meetings, your visit also will support the relations between Azerbaijan and Great Britain. You are welcome!

The chief of the member's staff, the member of the House of Commons in Great Britain's parliament George Bruce thanked the President Heydar Aliyev and said:

Our delegations feel double happiness. Firstly, because we are in your country. Secondly, you are healthy and we are sure that you will do a lot for Azerbaijan and build a lot of buildings in Baku.

Till now we had a lot of successful meetings here. Generally our programme is organised very well. We are sure that we shall go back gaining enough knowledge about Azerbaijan and moreover we shall support Azerbaijan more than we did before.

To my mind, who know your country will agree with the opinion that in a short time a lot of changes have happened and your country has developed very much. Though there are same obstacles like the crisis of Nagorno-Karabakh and reduction of oil prices impact to its development, you could from a strong market in all fields to go forward and to develop.

I would say that potentially your country is located in an advantageous geographical area.

This group of foreign relations of House of Commons after this visit will write a report to United Kingdom about the policy of Caucasus and Central Asia and their situation. Officially, Minsk group is dealing with problem of Nagorno- Karabakh. We should support that the principles that will be determined in the future are applied for both sides fairly. It means that the stability of the region, the economic improvement and also the stability in the world should be regulated. We don't have to allow this problem in the region hamper international relations.

The President Heydar Aliyev thanked George Bruce and said:

Firstly, I would like to express my gratitude for good words about our today's positive achievements in Azerbaijan. And your concern about my health and thoughts about its wellbeing also gladdens me.
You know that I have passed through the hard heart operation. Three months have passed since that operation but as you see I feel well. And I think I'll be better after too. Your wishes and desires - as you have just said to provide Azerbaijan’s development and to construct many new buildings - I accept these thoughts with pleasure - and there is no doubt I'll fulfil all of them.

We pay attention to the relations in all fields between Azerbaijan and Britain. Last year when I was in London, respectable Prime Minister Mr. Tony Blair and I determined that the relations between Azerbaijan and Britain were of strategic cooperative character. According to this formula we regulate all our activities.

I remember Prime Minister Tony Blair and the Foreign Secretary Mr. Robin Cook said in their speeches that the attention paid to Azerbaijan in this region so much that Great Britain extend the state of its embassy here. I hope they will do what they thought. In April, during the 50-year's anniversary of NATO in Washington I had very short talks with Mr. Tony Blair and Robin Cook. When Mr. Robin cook saw me he said:

"We are doing what we promised, we strengthen our embassy in Azerbaijan". This fact itself shows that the relations in all fields between Britain and Azerbaijan stepped to a new stage.

Our economic relations are being extended day by day and I am satisfied with it. In the first oil contract signed 1994 - "The Contract of Century" BP played important role. Now, after forming alliance with U.S. Company "Amoco" in consortium we may say that it is dominating.

Last year at the residence of the Prime Minister we signed new contracts - we signed a contract about the perspective oil reservoir with BP, then we signed contracts with "Monument oil", "Ramco" companies. All these facts show the improvement of economic relations between these two countries.

With great satisfaction I say that the contract we signed with BP-Statoil shows its positive results. We signed this contract in 1996 and it's about the "Shahdaq" reservoir on the Caspian Sea of Azerbaijan sector. Two year's activities, drilling wells gave double results that we supposed to be when we signed the contract and moreover we found new gas resources there.

Consortium and its chief BP stated in Baku and London that it was really possible to get more than 500 zillion cubic metres of gas there. But our oil men, specialists say that the members of consortium, and especially BP inform about it very carefully.

Now, the second well is being drilled and our specialists say that 700 billion cubic metres and may be more than this figure of gas can be produced. I believe our oil specialist indeed. In their forecasts they have never been mistaken. Imagine, "Shahdeniz" oil reservoir - now became a big gas reservoir - it was discovered in 1954.

At the end of '80s Azeri oil workers began their d'illing activities their, but as the water was very deep they couldn't continue the operations. Before the contract was signed they forecasted that there was about 400 billion cubic metres of
gas there. That is why, I think if the forecast they gave two years ago was confirmed. I appreciate that you mentioned the Armenian-Azerbaijan conflict, Nagorno-Karabakh problem. You also remember, when I was in London we negotiate over it very widely. I know, the stance of Great Britain government and parliament was always right and just. And given statement again shoves that you support the salvation of this problem be fair. We also want it, and we don't want anything else.

But it is very pity that nowadays we can't achieve our right. The Minsk Group has been working for 7 years. Since we have signed cease-fire with Armenia, for 5 years we have been working intensively with the Minsk Group. Of course, they have done a lot during these years, they prepared proposals and presented them. We agreed with some of their proposals. Especially we accepted the proposals adopted in 1996 in OSCE's Lisbon meeting. But Armenia didn't accept them.

Recently a new proposal has been given but we can't accept it. That is, much work must be done. I hope that Great Britain will keep up its stance as it did till now and will support us. The following OSCE meeting will be held in Istanbul. Three years passed since Lisbon meeting had been held. That's why we all have to do our best in order to get concrete results till this meeting. I again declare that we want this problem to be solved in peace and fair. We demand that Armenian forces leave the occupied territories. We gave our consent to give highest status to Nagorno-Karabakh. I think only these principles can solve this problem fairly.

I think you have already talked about it in parliament and in the Ministry of Foreign Affairs very extensively. That is why I hope what I tell you now, obviously reveals you Azerbaijan's position in these days. We have never lost our hopes and shall never lose it, we shall find the way to settle this problem.

I again would like to mention that your visit to Azerbaijan is very significant indeed. You see how many democratic processes are being implemented, numerous reforms are being held to improve economic state in Azerbaijan. These reforms give their positive results. We form market economy in Azerbaijan. We consider the principles of market economy to be the main factor in development of the economy.

I can say that beginning from 1996 Azerbaijan economy has stopped the previous crisis and year by year it provides the improvement. For example. Within seven months of this year the common inner output increased by 5%, industry produce by 2,5% or 2,6% and agricultural production increased approximately by 3%.

The financial state in Azerbaijan is stable. During a year or more, much inflation happened around us. In the far East - in Japan or in the South-East Asia - Indonesia or in our neighboring country in Russia, there were also some difficulties in this field. Of course, it influenced on Azerbaijan's economy. But we could stave it off.

Again, I mentioned that we could provide stability in our economy. Not only in oil field but in other fields also the foreign investment to Azerbaijan is being
increased very rapidly. Yesterday, in the evening I went to the hotel constructed by U.S.
Company "Hyatt-Regency". There are many centres for recreation - provisions and
perfect opportunities to go in for sports, many beautiful buildings and a big hotel there. It
is all due to the foreign investment.

Within the past last years, especially urban construction in Baku, constructed
buildings or fields of production, all fields of infrastructure belong to private sector and a
big part is due to the foreign investment. It is all the results of our economic policy. But
according to these activities in the recent years the social- political stability is provided.
Last years the situation in Azerbaijan was very difficult.

During the war with Armenia over Nagorno-Karabakh, different armed groups
struggled against each other inside Azerbaijan to come to the power. And this entirely
disturbed the inside situation of Azerbaijan. For recent years we could provide stability
in the country. Again I say that is the main factor for our people to live in good
conditions, for implementing the reforms and improving the economic situation in the
country.

I hope during these days you will see it with your own eyes. I am again grateful to
you for coming to Azerbaijan.

The member of the House of Commons, Hazel Evans, appealed to the president of
Azerbaijan Republic:

Mr. President!

I am very glad that I visit you today. As you know in our delegation there are
representatives of different parties of our country. George Bruce is a representative of
the ruling party. Others are representatives of the opposition, and I am a representative of
the Conservatives, I represent John Major's party.

I have close relations with John Major. I know that you had a lot of meetings with
him. At a present time William Hague heads this party. They both express their best
regards to you. We all, on behalf of all conservatives in Great Britain would like to
express our best regards to you, and to all Azeri people.

This is my third visit to Azerbaijan, and I see the general view in my last visit
surprised me a lot. You talked about the achievements in economy. These are really
surprised indexes. But it is not the all work. There many achievements in human's rights
protection as well.

Mr. President, I would like to congratulate you on all these achievements. I
congratulate all Azeri people on these achievements. I think from my accent you can tell
that I am from Wales. As you know, Wales was on of the biggest energy centres of the
last century. It means that first time the textile pits were found there. I think that there is
a similarity between Baku and Wales in this field. It is know that Azerbaijan is rich of
energy resources. I hope that Azerbaijan will became one of the main energy centres
next century.

President Heydar Aliyev expressed his gratitude and said: "Thank you very much
for your good thoughts and good workers about Azerbaijan. I remember my meetings
with Mr. John Major with great pleasure."
In the formation of the relations between Azerbaijan and Great Britain, the conservatives party and John Major played important role. In February 1994 I was newly selected the president when John Major invited me to Great Britain. I had an official visit there.

We signed the first big contract between Azerbaijan and Great Britain. At that very time the Azerbaijan embassy in Great Britain and Great Britain embassy in Azerbaijan was opened and relations began to develop very intensively.

Then after it I met with Mr. Major in London and in international organisations meetings a lot. Again I mention that I remember our cooperation with former government and appreciate it very highly.

There are a lot of good things in Great Britain, one of them is that you have only two parties in your country - Conservatives and the Labour party."

Hazel Evans: "We also would like to think so."

Heydar Aliyev: In the 20th century the Conservatives and Labour party have both headed the government. And I think that there is a consensus between these two parties.

For a certain period, the Labour party, then the Conservatives head the government, when time is up they substitute each other. It is true that the Conservatives have been more in power. I think so. Let's go back to history. I am always surprised at one thing. In the World War II the Conservatives were in power in Great Britain. The great Winston Churchill headed the government. At that time U.S.A, Great Britain and USSR were in alliance against Hitler Germany. The war was over with success for these countries. Fascist Germany was defeated. But after the war, the elections were held in Great Britain. Though the Conservatives were so active, the Labour Party won.

I remember that time. We were young then. We were even surprised that Winston Churchill conducted the war, but instead of Churchill, Clement Atlee went to the Potsdam conference.

Great Britain is a very strange but a very good country. That is why for me it doesn't matter whether it is Labour Party or Conservatives. Because we don't interfere to the inner issue of any country. When the Conservatives were in power we were cooperating with them successfully. Now the Labour Party is in power and we continue this cooperation very successfully as well.

I think the one of the greatest achievements of your country is that though there is a substitution of parties in the government, there isn't any change in your foreign policy.

I wish success to the Labour Party in the power and Conservatives in opposition.

Remember me to Mr. John Major and the new leader of the party. And of course remember me to the Prime Minister Mr. Tony Blair and Robin Cook. In recent days the appointment of Great Britain's Minister of Defence, Mr. Robertson, to the position of chief secretary of NATO was declared in media.

Last year, when I was in London our meeting with him was very successful.
We negotiated very well indeed. I've sent him a letter of congratulation. I wish success to Mr. Robertson in this position. Thank you!

At the 5th anniversary of the "Contract of century" held in Baku in September 20, 1999, the assistant of Trade and Industry department of Great Britain Mr. Ken Forest took part in the ceremony and delivered the letter of Prime Minister Tony Blair to the President of Azerbaijan Heydar Aliyev.

In order to take part in the "Britain week" under the motto "Azerbaijan and Britain to the new millennium" the State Minister of Great Britain John Battle visited Azerbaijan in October. During his visit the president of Azerbaijan Heydar Aliyev received the guest. At the meeting it was mentioned that the measures of those kind strengthened the relations between two countries.

In 1999 December 7, the Royal Institute of Defence Affairs of Great Britain held conference with the embassy of Azerbaijan in Great Britain on theme "Azerbaijan towards XXI century."

In the conference the ambassador of Azerbaijan in Great Britain, the deputy of minister of Foreign Affairs Mahmud Mamed-Kuliev, the deputy of minister of Foreign Affairs Araz Azimov and the assistant of the director of international relations in the presidential residence Rauf Huseynov were representing Azerbaijan.

Mahmud Mammad-Kuliev made his speech about "the relations between Azerbaijan and Britain", Araz Azimov made his speech about "Azerbaijan as a part of Euro-Atlantic space" and Rauf Huseynov made his speech about "Azerbaijan and regional security".

The most prominent figures, the members of strategic researches institutes gathered in the conference. The Foreign and Union Affairs State Minister of Great Britain Keith Vaz, the Chairman of the Security and Defence Affairs Commission of the House of Commons George Bruce, the former minister of Foreign Affairs, Douglas Hurd, Malcolm Rifkind, the assistant to the NATO General Secretary on political affairs, ambassador Donald McConnell, the Chairman of the Department of the European Commission on the Caucasus and Central Asia Chnes Wittebrod, the chairman of the Azerbaijan-Britain Trade and Industry Council, George Riches, the chief of the European Bank of Reconstruction and Development's Caucasus Department, Lindsey Forbes, the colleagues of the Royal Institute on Defence Affairs, Dr Roy Alison, Anatoly Levin, the former ambassador of Great Britain in Armenia David Miller and others participated and made their speeches in the conference.

The participants of the conference mentioned that Azerbaijan is the most reliable cooperator of Europe in the Caucasus region and that they highly appreciate the achievements gained under the leadership of president Heydar Aliyev and
approved Azerbaijan's strives to integrate to the Europe structures.

In 1999 there were made some significant steps in cooperating with our fellow-countrymen living in Great Britain. In 1999 December 4, at the embassy of Azerbaijan in Great Britain with three delegations of Azeri Community (Azeri Society, Azeri Society in Britain, Azeri-Turk Society) there were held meetings and decided to adopt decision about establishment of coordinative bureau in order to band the relations of these three communities.

In order to avail of the opportunities of Anglo-Azeri Society, the bureau nominated its candidature to the executive committee of society.

There were many important events in Azerbaijan-Britain relations in 2000 as there were in previous years. In the beginning of the year in January 18 the "Ramco" Company organised one day symposium on theme "Involvement of the west investments to Azerbaijan ".

The president of Azerbaijan Heydar Aliyev expressed his approval to the directorate council member of "Ramco" company, the former Foreign Secretary Sir Malcolm Rifkind and to the president of the company Steve Rempy.

The symposium was attended by Malcolm Rifkind, American journalist Thomas Goltz, the head of the management staff of "Morrison", Fraser Morrison, the chairman of the Caucasus and Central Asia Institute at John Hopkins University in America, Fred Starr, European Bank of Reconstruction and Development delegate, Fredrick Luseyne, a member of the London Exchange Fund Florin Coserary, the Director of the Consulting "Policy Partnership" company of Great Britain, Andrew Smith, and the President of the "Ramco" company, Steve Rempy, who all made speeches.

The majority of speakers had come to such conclusion that there is an opportunity for investment in Azerbaijan and the main opportunity is the political stability. It was mentioned that in an inconvenient region our country seems to be very quiet. And moreover it was also mentioned that besides having huge industry potential, it has the highest intellectual potential too, that is why it is considered to be advantageous country for huge west companies' activity. But to the speakers' mind, there are some problems as in legislation, tax, bank that impede to extend activities of foreign investors.

On June 7 of the same year President Heydar Aliyev received the State Minister on Scottish Affairs of Great Britain. Brian Wilson, who came to Baku in order to take part in the "Caspian Oil and Gas Show 2000".

After greeting the guest, the head of our country Heydar Aliyev said:

Mr. Minister, I am very glad that you visit Azerbaijan first time and take part at the opening ceremony of the exhibition "Caspian Oil and Gas Show 2000". You delivered your speech there and today we are meeting.

There are many Great Britain's companies in Azerbaijan. They perform very important operations in oil-gas field in our country. We have settled the main problems together. In the "Contract of the Century" signed in 1994, British companies played operative role in the cooperative use of "Shahdeniz" reservoir, they
performed important operations in other fields as well. The main results of our activities are mainly seen in the fields where BP company is working. That's why your visit to Azerbaijan is important. I hope you will get aquatinted with our country and Baku very closely.

Mr. Brian Wilson thanked President Heydar Aliyev for his sincere words and said:

Mr. President, I am thankful to you that you could spare time to receive me. I know that you are very busy this week. Though we met yesterday, today we meet again. I would say that relations between our countries are very satisfactory indeed. I hope that mutual visits in ministry level will strengthen the cooperation in policy, trade and other fields between our countries.

I again went to the exhibition today, I walked there and looked at stands organised by British companies, I talked individually with each representative of our companies. Their mood is very well. Those representatives of the companies are satisfied with their activities in Azerbaijan. The main fact is that they think there is a great potential to improve the opportunities in this country.

Of course as soon as I return back to England I shall speak about what I have seen in this country.

I shall try to convince the biggest and the smallest companies dealing with oil and gas to come to Azerbaijan, to put their investments here, to strengthen the cooperation.

The relations between Britain and Azerbaijan are useful for both sides. Of course, we British people do a lot in order to improve the industry of Azerbaijan. But Azerbaijan also can do a lot in order to improve the industry in our country. Companies working in the North Sea have very rich experience. Our companies have been working there for a long time. To my mind when they come to Azerbaijan they bring their knowledge and experience, at the same time they learn a lot from local specialists.

I again say, when British companies come here they share their knowledge and experience. At the same time, a lot of Azeris work in British companies and local cadres improve their experience for years. In the international exhibition "Caspian Oil and Gas Show 2000" and conference. Great Britain representatives are the ministers and this fact shows that we pay a great attention to the trade in this region of the world. To my mind, this exhibition will help to strengthen the relations between our countries.

President Heydar Aliyev said:

I entirely agree with you. Firstly, I also think that the relations between Great Britain and Azerbaijan in political, in economic and in other fields are improved. We appreciate it very much, and try to extend these relations.

I remember when I was in my official visit in London in 1998, I talked about it with Prime Minister Tony Blair and with other ministers very widely.

Interests towards the region demands the extension of relations between our countries. I remember during my conversation with the Foreign Secretary Mr.
The first official visit of the President of the Republic of Azerbaijan to Great Britain.
Welcoming ceremony (February 22-25, 1994)

Meeting with Margaret Thatcher, former British Prime Minister (February 22, 1994)

President Heydar Aliyev, while visiting Westminster Abbey (February 24, 1994)
President Heydur Aliyev, while niakintt a speech at the Royal Institute of International Affairs (February 22, 1994)

Meeting with the Minister of State for Overseas Territories, Baroness Chalker (February 24, 1994)
Meeting in the British Parliament on the occasion of the British-Azerbaijani Parliament Group’s establishment

"Contract of the Century" signing ceremony (September 20, 1994)
After the "Contract of the Century" signing ceremony (September 20, 1994)

President Haydar Aliyev at the Adam Smith Institute, London, while making a speech on "Investment opportunities in Azerbaijan" at an international conference (November 29, 1995)
Opening ceremony of the Embassy Residence of the Republic of Azerbaijan in Great Britain (November, 1995)

Meeting with State Minister Michael Heseltine, First Deputy Prime Minister of Great Britain (November 30, 1995)
Meeting with Malcolm Rifkind, Great Britain State Secretary on Foreign and Commonwealth Affairs (November 30, 1995)

Meeting with Sir Marmeduke Hussey, Chairman of the BBC’s Board of Governors (November 30, 1995)
Official visit of Malcolm Rifkind, Secretary of State for Foreign and Commonwealth Affairs of Great Britain (January 3-4, 1996)

Credentials presentation ceremony of Roger Thomas, Ambassador of Great Britain to the Republic of Azerbaijan to President Haydar Aliyev (August 21, 1997)
Official visit of the President of Azerbaijan, Heydar Aliyev, to the United Kingdom of Great Britain and Northern Ireland (July 19-24, 1998)

Meeting with high-ranking representatives of the Western mass media (July 20, 1998)
Meeting of the President of the Republic of Azerbaijan, Heydar Aliyev, with Her Majesty Queen Elizabeth II in Buckingham Palace (July 21, 1998)

Meeting with Doug Henderson, State Minister for Foreign and Commonwealth Affairs (July 20, 1998)
Meeting with David Drury, Secretary General of the British Council (July 20, 1998)

Official dinner, organised by the Anglo-Azeri Society, given in honour of President Heydar Aliyev (July 20, 1998)
Meeting with Patrick Connack, the international President of "First" magazine (July 21, 1998)

Meeting with Phil Watts, Chairman of the Committee of Managing Directors (July 20, 1998)
Meeting of President Heydar Aliyev with Secretary of State for Trade and Industry, Mrs. Margaret Beckett, in London (July 21, 1998)

President of the Republic of Azerbaijan, Heydar Aliyev, and the Prime Minister of Great Britain, Tony Blair, during a meeting (July 21, 1998)
President Heydar Aliyev and Prime Minister Tony Blair, while holding a press conference after the signing ceremony of documents between Azerbaijan and the United Kingdom (July 21, 1998)

President Heydar Aliyev outside 10 Downing Street after meeting the Prime Minister of Great Britain (July 21, 1998)
Meeting with John Hattie, Secretary of State for Trade and Industry (July 21, 1998)

Meeting with Sir John Browne, "bp" CEO (July 21, 1998)
Meeting of Sir Richard Nicholson, Lord Mayor of London with the Azerbaijani President, Heydar Aliyev (July 21, 1998)

President Heydar Aliyev, while making speech at the "Doing business in Azerbaijan" conference (July 22, 1998)
Meeting with representatives of the Azerbaijani community in Britain at the Embassy of the Republic in London (July 22, 1998)

Meeting with members of the British-Azerbaijan Parliamentary Group (July 22, 1998)
President Heydar Aliyev, while making a speech at the Royal Institute of International Affairs (July 22, 1998)

President Heydar Aliyev, while meeting director of the Royal International Relation Institute Lord Patrick Richard Henry in Chatham House (July 22, 1998)
Meeting with Robin Cook, State Secretary for Foreign and Commonwealth Affairs of United Kingdom (July 22, 1998)

An introduction to the "bp" oil production factory in Edinburgh (July 23, 1998)

AZERBAIJAN-GREAT BRITAIN; CO-OPERATION 8, PARTNERSHIP (1991-2001)
Official reception organized in honour of President Heydar Aliyev by Edinburgh Lord Provost Eric Milligan (July 23, 1998)

At the Edinburgh residence of the Queen (July 23, 1998)
The first gathering of the Management Committee carrying out the implementation of the "Contract of the Century" held in Baku, Azerbaijan. Historical Museum with the participation of President Heydar Aliyev.

Terry Adams presents President Heydar Aliyev at the International Rose Society with a picture of a new rose cultivated from an original rose, registered as the "President Haydar Aliyev Peace Rose" and dedicated to Her Majesty Queen Elizabeth II (November 12, 1997)
Sising ceremony of the Production Sharing Agreement on exploration and development of the "Araz", "Alov", "Sharg" perspective fields of the Caspian Sea in the Azerbaijani sector by Sir John Browne, chief executive of "BP", Harold Norwich, President of the Norwegian "Statoil" company and Natic] Aliyev, President of SOCAU, in the presence of President Heydar Aliyev and Prime Minister Tony Blair (July 21, 1998)

The President of Azerbaijan, Heydar Aliyev, presents Terry Adams, the first president of AIOC with an Order of Honour (March 31, 1998)
Malcolm Rifkiul, "Ramco" Hoard of Directors member, former Foreign Secretary of Great Britain and Steve Remp, Chief executive of Ramco, while presenting President Heydar Aliyev with a hook entitled "A7X"rbaijan", published in London (January 17, 2000)

Opening ceremony of the "Caspian Oil and Gas Exhibition 2000" conference: President Heydar Aliyev and Susan Crouch, "Spearhead Exhibitions" Executive Director
Opening ceremony of the "AzEuroTeIl" Azerbaijan-Great Britain Joint Venture (May 10, 1996)

Tim Kggar and Mahmud Mamed-Knliev presenting "the Leonard Cheshire" fund representative funds collected by the charitable programme of the Anglo-Azeri Society in London in 1998
Robin Cook, he said to me that they would extend their embassy and increase the number of workers. Because Great Britain is very interested both in Azerbaijan and the near countries to Azerbaijan in Central Asia.

I expressed that I quite agree with those thoughts. This is really the truth. Oil contracts signed after 1994 founded a long-term cooperation between Azerbaijan and Great Britain. If every signed contract has a term for 30 years, I consider that for realisation of these contracts we need more time than is demanded. This is not only our but also the duty of several generations coming after us.

So the relations between Great Britain and Azerbaijan are long lasting and may possibly be everlasting. We understand it in this way and appreciate it very much. I said that the "Contract of the Century", production and export of oil from "Chirag" mine, "Azeri", "Guneshli" mines have a great perspective. "BP" company is operating there. The signing of contract about Baku-Tbilisi-Ceyhan main export pipeline, the confirmation of the contract about oil pipeline in Azerbaijan and Georgia's parliaments - this will be also confirmed in Turkish parliament in the nearest time and it opens much wide way for our joint cooperation.

It was exhibited how much potential had Shahdeniz mine at the stands of yesterday opened "Caspian Oil and Gas Show 2000" in Baku. There were declared that it would be possible to give 5 billion cubic metres of gas to Turkey in 2002. I consider it to be a good idea. We should work on this matter together and carry it out. We must do this deal in spite of any possible obstacles.

Several times I invited companies of Great Britain working on oil, gas and other fields to Azerbaijan. Yesterday you said that some of them were leaving Azerbaijan. I am not informed about it. I gave instructions to the prime minister to investigate it and inform me about it. I suppose if such case exists, these are only small companies which couldn't have settled. In any case I would pay attention to this matter and give necessary instructions. In one word; Cooperation between Great Britain and Azerbaijan should be extended. I suppose you as a state minister would do your best in this field having seen today's reality of Azerbaijan and mood at the "Caspian Oil and Gas Show 2000".

Mr. Brian Wilson addressed the leader of our country and said:

Mr. President I would like to deliver you personal greetings and thanks of the Prime Minister of Great Britain. You congratulated him on the occasion of his son's birth in the letter you had sent him.

Heydar Aliyev: Yes, his fourth son was born. He is a very rich man. I think it made him happy. As a human it made me happy, too. So I congratulated him. Generally your prime minister is a friendly person. I respect him very much. I feel that this respect is mutual.

Brian Wilson: "Yes, I also know that he is a good person. Mr. President I absolutely agree with everything you have said. Your words about extension of cooperation on non-oil field encouraged me. Before coming here I had dinner with the Minister of Trade and talked to him about it. In order to enlarge export opportunity of Azerbaijan non-oil field should be more developed. After return

ing to my mother-town I will treat this matter seriously. Let different companies of Great Britain come to Azerbaijan and work here. Mr. President, I would like to maintain all your words once more.

Companies of Great Britain are particularly interested in pipeline projects and the export of oil to be produced in Azerbaijan to the world market. They are ready for competing to start to work in Azerbaijan. I want to say once more that we have deep respect towards each other. I am sure this is in favour of our common work.

Heydar Aliyev: Good-bye!

On October 20 President Heydar Aliyev received ambassador of Great Britain to Azerbaijan, Roger Thomas, on the occasion of the end of his term. The leader of our country Heydar Aliyev meeting the diplomat friendly said:

As I understand you don't want to work here and you are leaving. Ambassador David Roger Thomas addressing the leader of our country said:

"Mr. President my term is over. To be a diplomat is like to serve in the army. The Foreign Secretary of Great Britain Mr. Cook ordered me to leave the post. And I answered him O.K., I was ready to leave. Probably Mr. Cook thinks that I am more becoming Azeri. In any case I look like Azeri.

Mr. President as my term is over, I considered that it was my duty to meet you today both thanks you for cooperating with us and for your efforts to increase the relations between Azerbaijan and Great Britain to this highest level. I was almost in every region of your country - in Quba, Lenkaran, Sheki, Barda. I was in other places too.

I met numerous Azeris in different places of your country. I even climbed the peak of Babadag. I consider it is my duty to inform you that in the places I'd been I didn't come with any across any hostility, neither against me nor the country I represented nor representatives of other foreign countries.

We value very much this characteristic of Azerbaijan nation. I think the relations between our countries are in sufficient good level. The feature I valued very much in the cooperation between our countries was the opportunity to say my thoughts openly to the ministers and officials of your country. The representatives of your country also told their thoughts openly to me. I don't want to say we agreed every time but the communication among us was always very good.

After it I'll work in the city of San Francisco at the post of chief consul of Great Britain. But I am taking a part of Azerbaijan in my heart and soul. Even from the distance I'll observe the happenings with interest in Azerbaijan. A great deal of achievements have been made in the relations between Azerbaijan and Great Britain.

One of these is your official visit to Great Britain. I regret that 1 couldn't have

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achieved bringing Prime Minister Tony Blair to Azerbaijan. I hope the person who will be in the post of ambassador to Baku can do it.

Mr. President, I'm very pleased that during my term, the number of our colleagues was increased and our embassy extended. Now besides the representatives of Great Britain and BBC a lot of our citizens are working here. I would like to inform you that the activity of Great Britain -I mean diplomatic activity - after Moscow, is wider than in the Caucasus and all the region. The will to learn more about Azerbaijan is increasing day by day in London.

I hope that this interest will gradually improve the friendship between our countries and will strengthen. Good-bye!

The leader of our country delivering his thanks to the ambassador said:

"Mr. Ambassador I confirm what you have said. From my part I would say that we greatly value the relations between Great Britain and Azerbaijan. When I was elected President in Azerbaijan, one of visits was to Great Britain, in February 1994.

Later as you said my official visit to Great Britain in 1998 improved the relations between Great Britain and Azerbaijan to the highest level. Mr. Ambassador, I think that you understand my words without interpretation".

Roger Tomas: Yes, Mr. President, I understand you without interpretation.

Heydar Aliyev: While I was on an official visit to London in 1998, the Minister of Foreign Affairs, Robin Cook, told me that they would extend embassy of Great Britain in Azerbaijan. Because Azerbaijan is important for them. I'm glad that he carried out his promise.

I don't know to what degree, but you said that the staff of the embassy very extended. If in Azerbaijan the staff of embassy of Great Britain is lager than in Moscow and other former Soviet countries, it shows how much interest and attention your country gives to Azerbaijan. This makes me happy. Because we want to make wider cooperation and friendly relations with Great Britain in all fields.

It is not accidental that Azeri representatives were always participating at the international conferences held in London. You know that Azerbaijan has contracts with 20 foreign companies for realisation of it's new oil strategy. But the main part of the first contract was formed by BP.

Later BP was so much extended that it bought AMOCO of America. Now it has taken her and the share of AMOCO. So BP takes leading role in Azerbaijan International Operating Company. So, you know that David Woodward is in charge of everything here. This shows the level of financial cooperation between our countries.

But we want to enlarge our cooperation not only in economic field but also in other fields, science, education, culture. This is fine now. But we want it to be better than now. As I told several times, we consider Great Britain as our friend and supporter. And interests of Great Britain in the Caucasus generally not only in the Caucasus, but also in Central Asia go across Azerbaijan.

So, all these make both, you and us to pay permanent attention to our rela
tions and develop them. You said that you couldn't have brought Tony Blair to Azerbaijan. But Robin Cook promised and he didn't come.

Roger Thomas: I'll tell him this by all means when I see him.

Heydar Aliyev: Because he promised. He came to neighboring Georgia but didn't come to Azerbaijan.

Roger Thomas: He promised me too that he would come to Azerbaijan. As soon as I see him I'll remind him about his promise given to you and me.

Heydar Aliyev: Because they pay attention to such things in our society and never miss them. I don't think this is a big event. If he didn't come today, he would come tomorrow. Anyway Azerbaijan will attract the interests of Great Britain with its development, geographical-strategic position, its independence. Of course if our relations developed and extended you have been as ambassador for 3 years or...

Roger Thomas: Yes, 3 years.

Heydar Aliyev: Of course, you have done a lot much service in the development of the relations between Great Britain and Azerbaijan during these 3 years. I appreciate your activity very much, thank you.

You said that you were in many places of Azerbaijan. Even climbed up Babadag. But you didn't come across with any hostile treatment. You said that it wasn't so in many countries. I would like to correct you a bit. You were not only treated without hostility, but also you were treated everywhere friendly and kindly-

I can't say there were not kindness or friendship wherever you went. First this is characteristic of our nation. The second is the high level of relation in foreign policy of Azerbaijan state and influence of attention of Azerbaijan country to these relations.

So you of course worked in Azerbaijan both for use of your country and you did efforts to develop relations between Azerbaijan and Great Britain and also find many friends in Azerbaijan. As you travelled to so many places, none of their traces would disappear. All of these will remain and live.

So we'll never forget your activity. Our nation will never forget too. Now you are leaving for San Francisco. Of course there is a difference between Baku and San Francisco. Probably some people like San Francisco more. But for us Baku is more beautiful.

In spite of the obstacles and problems we've had, we are optimists. Our country, especially our capital you see how it developed. You compare it with 1991, 1992. In these days we are celebrating 9th year of our country's independence.

But when we declared our independence on October 1991 and accepted the act of independence and constitution, Azerbaijan was on fire, Azerbaijan was in a difficult situation. We could say that independence was declared.

But soon tendencies to destroy our independence appeared You know, we diverted them in 1993. I said it 2 days ago at the meeting with the participants of Olympics. Azerbaijan got independence because Soviet Union was destroyed.
Soviet Union was such a big, strong, super state that how much the allied 15 republics in it's content had tried, they couldn't have got their independence. I don't know how you would accept it, if the colony system of England hadn't been destroyed, could India and others have been independent?

Yes some of them are members of British Union. But England had colonies throughout the world. For example, England was holding Hong Kong in her hand these last two years, i.e. gradually collapsing the colony system after World War II gave independence to the nations of Africa, Asia and other continents.

In another way Uganda, Nigeria or Mali in Africa couldn't have got independence, or Azerbaijan, either. Because the Soviet Union as if united 15 republics and these 15 republics had equal rights.

But at the same time we felt that, true, we made great achievements in the content of this country - we were not free independent. While I was working in Moscow, being in charge of these things, I saw them. So Azerbaijan, not only Azerbaijan, but also the countries of former USSR getting independence was the result of historical processes. History appeared from necessity.

Now some people in our country say that they struggled and got independence. They could not have achieved anything. Because the Soviet Union was so strong that it would allow anybody to destroy it. Processes going on in the world, collapse of Berlin wall, processes going on in Europe, Eastern Europe, Poland and the other countries, all these shook the foundation of Soviet Union. So the Soviet Union collapsed and we got independence.

It means that independence is gift given to us by God. But to keep this independence is very difficult. I think our greatest achievement is that we have been keeping our independence for the last 7 years. Because there were many pressures against us. You know that in the violence of Armenia against Azerbaijan we unfortunately saw that some countries were giving AIDS to Armenia.

Our friend and close ally U.S.A. aids Armenia every year but does not do it for Azerbaijan. And it imposed section 907. Some countries making use of these, were trying to attract us to themselves and limit our freedom in some way. But we led independent policy. We stopped the war and developed our economy. Now of course we reached a certain level.

But we need to go much forward. We signed the "Contract of the Century" in 1994. After signing the contract so many things happened to us, terrors, attempts to overturn the government and etc. All of these were because of the contract. I remember when we signed the contract there was the Prime Minister Suret Hussey no V who destroyed the power of the national frontier in 1993.

When we signed the contract - this was a great event for us - he was sitting near me. After the signing ceremony he said that he would tear the contract up. I was informed and I said let him do if he has the courage to.

But he tried i.e. one day after it four very strict criminals were released from prison and all of them went to Moscow. I went to New York for chief session of U.K. I was going to the platform to have a speech. I was informed that 2 politi
cal figures underwent to. The assistant of the chairman of the parliament Afyeddin Jalilov...

**Roger Thomas:** When did it happen?

**Heydar Aliyev:** It happened on September 29, 1994. We signed the contract on September 29, 1994, on September 21 those criminals were set free and they all went to Moscow. Suret Husseinov realised his plans. I went to New York. Because I had to make a speech there as president.

When I was in New York I had to go to the platform and at the same time I was informed with news coming from Baku. After that, I returned to Baku and took necessary measures. But on October 3 S. Husseinov made an attempt to coup the government.

At that time he was much powerful. We had less power. The most of the army was in his charge. But at night I addressed to the people. 500 thousand people gathered there and defended us until the morning. We can talk much about it. I want to say that our independence was given by God and it is our duty to defend our independence, we made very great, close friendly, fraternal relations both with England, France, U.S.A, the enemy countries to USSR during the Cold War and with the countries still not having good relations with Russia keeping our independence.

So our 9 year independence wasn't easy. Now we are in such circumstances that nobody can deprive us of our independence. I say once more that relations with Great Britain is very important for us. BP takes the leading role not only in this contract but also at 12 mines, "Shahdeniz". The main participant of the contract is BP.

So if we signed more than 20 contracts on oil-gas mines belonging to Azerbaijan in Caspian Sea, the most of this part would belong to England. It would belong to BP. This is our attitude towards Great Britain.

In one word, we had good relations until now. Within three years you also had done a lot as an ambassador in our country. I hope our relations will develop more after it. I thank you once more. I wish success in your deeds. I wish you sometimes to remember Azerbaijan including Babadag when you are in San Francisco.

**Roger Thomas:** Mr. President, thank you for nice words. I will keep your words in my heart, soul, memory. I assure you that wherever I am. I'll serve to the interests of Azerbaijan and I'll try to help you. You valued numerous events right taken place in the history very precisely.

I would like to say that Great Britain will always support independence, freedom, sovereignty of Azerbaijan. Though we are proud of activity of BP in Azerbaijan, support of Great Britain given to Azerbaijan is not connected with it. We shall always support the independence of Azerbaijan. And I wish you and your country success.

**Heydar Aliyev:** Good-by!

At the residence of the president appointed to the post of extraordinary and
plenipotentiary ambassador of United Kingdom of Great Britain and Northern Island to Azerbaijan Endrew Tucker presented his credentials on December 6, 2000. Speaking at the ceremony about the relations of two countries the ambassador said:

"Azerbaijan is an important country for Great Britain. More than 100 companies of Great Britain are working in Azerbaijan. They are trying to be useful in the development and prosperity of Azerbaijan. I am persistent to be useful in this matter."

Expressing his attitude towards the ambassador's words President Heydar Aliyev said: "You are absolutely right. Very extensive relations were formed between Azerbaijan and Great Britain. These relations are in all fields.

"We highly value our relations with Great Britain, we consider it is very important. And it's the result, 100 companies have already been working here. It is natural that if Azerbaijan hadn't had appropriate conditions, more than 100 companies of Great Britain wouldn't have come to Azerbaijan and worked here.

"Of course it is the result of state independence of Azerbaijan and connecting with strengthening and development of state independence. Especially in one hand it is connected with formed social political stability and in other hand with formation of appropriate situation for attracting foreign investment to Azerbaijan."

After presentation ceremony there were a detailed conversation between Azerbaijan President Heydar Aliyev and ambassador of Great Britain Andrew Tucker about our country's integration into Europe and support of Great Britain in this process.

Speaking about his activity in Azerbaijan as an ambassador Mr. Andrew Tucker said: "One of my goals during my term as ambassador in Azerbaijan is to be useful in providing the nations of our countries, especially the youth with detailed information about each other. I am pleased that you gave me blessings and said that I should be provided with every opportunity to go every corner of your country, make close acquaintance with people". 
6. Armenian-Azerbaijan conflict and position of Great Britain in the solution Nagorny Karabakh problem

Armenian-Azerbaijan conflict which turned into decisive problem for state independence is one of the main questions in the relations of Azerbaijan and Great Britain. Formed "neither war, nor peace" situation is not bothering problem only for Azerbaijan but also for international union. U.K. always supported just work of our republic in the resolution of the problem. Though Great Britain is not member of MINSK group of OSCE, its role in the regulation of the problem can't be denied. It should be said that on May 18, 1991 colleagues of diplomatic mission of Great Britain in Russia-consultant ambassador David Logan and consultant on political affairs David Manning were in Azerbaijan in order to get detailed information about Karabakh conflict. British diplomats visited controversial territories, took interview from the witnesses of events and gave objective information to the world community about social-political processes going on in our republic. English press and electron information means in the contrast with French, Russian and other country's mass media which are directly under the influence of Armenian lobby objectively enlightened the intrigues done by our harmful neighbors. On February 1992 one of the colleagues of "Times" newspaper Anatol Levin checked violence done in Karabakh by Armenian military detachments in time, in order to get exact information he was in Azerbaijan. He visited front territories together with Azeri journalists, on the bases of information he had gathered, he sent numerous articles under the headline "Corpses spread on the hills of Karabakh" to the newspaper he represented, here the truth about Azeri massacre done by Armenians was expressed. Colleague of "Sandy Times" newspaper Thomas Goltz' materials prepared on the basis of observations he did in Azerbaijan coincided with Anatol. Levin's conclusions. "Sandy Times" had been giving detailed information about Karabakh tragedy to European readers since Mart 1, 1998 on the bases of materials sent by Thomas Golts. Prime minister of Great Britain John Meycor in his letter sent to Azerbaijan President Abulfaz. Elchibey on September 1992 expressed his government's attitude towards Karabakh conflict in this way:

-Government of Great Britain states that there can't be a question to discuss official status of Nagorno Karabakh -this is territory of Azerbaijan. We consider the destructive conflict going on in the region and its surroundings is a danger for stability in the region, and a serious obstacle on the way to democracy for Azerbaijan and Armenian from the former Soviet Communist subjection. It should be noted that the government of Gr.Britain gave 3 declarations-on April 14, July 14 and October 29 connected with Azerbaijan-Armenian conflict in1993.

The next aggressive attack of Armenian military forces on sovereign territories of Azerbaijan resulted in the occupation of Kelbejer district. Concerning it British delegation in UN supported Azerbaijan delegation's security council's effort to achieve a decision condemning Armenian's aggression. British delegation
several times said to Armenian side in London and New York that they were surprised that Armenia appealing the world for humanitarian aid, made attacks on other country and occupied its territories. It should be noted that the chairman of Security Council of UN accepted decision number 853 on the bases of Heydar Aliyev's applications who execute the authorities of Azerbaijan President. Decision was condemning the aggressive policy of Armenian Republic towards Azerbaijan Republic. Actually Armenia was the 1st considered as a direct participant of aggressive attacks on neighboring country. When Azerbaijan and Armenian conflict reached it’s culmination point in May-July 1993 the delegation consisting of members of English parliament Harold Ellentson, Edward Granger, Yan Dungan Smith and Yan Reyd arrived in Baku, they got direct informations about Karabakh conflict. On September 1993 embassy of Great Britain started its work in Baku. It was connected with the attention given to Azerbaijan in the foreign political strategy of England. Though there were not diplomatic mission of this authoritative European country in any country situated on both side of Caspian Sea. After Heydar Aliyev was elected a President of Azerbaijan Republic, on October 12, 1993 the first delegation he received was the Secretary of State for Foreign and Commonwealth Affairs of Great Britain Douglas Hurd. This was the result of mutual interests between two countries. In the briefing he held for journalists at the Ministry of Foreign Affairs of Azerbaijan Republic. He stated that Great Britain worried because of the lengthening of Nagorno Karabakh conflict. Mr. Hurd valued the situation in South Caucasus as "Troublesome and dangerous case". Foreign Secretary Douglas Hurd speaking on the state of Karabakh particularly emphasized that he openly expressed attitude of his country to Armenian administration. He personally said to Armenian President Levon Terpetrosyan: "We consider Nagorno Karabakh as apart of Azerbaijan".

On October 29, 1993 Great Britain gave the second declaration, condemning the occupation of Azerbaijan territories. It was connected with the continuation of aggression of Armenia towards Azerbaijan and with the occupation of new districts.

Official London called two sides of the conflict to make a cease-fire and in order to achieve peaceful resolution of the problem to cooperate through talks held in the framework of MINSK group of OSCE. After the decision of Security Council of UN, No 884 dated November 12, 1993 was accepted, the constant representative of England in UN. David Hannay delivering speech with declaration informed the world community about the scale of danger the conflict formed.

As we mentioned above, the officials of UK several times declared that Nagorno Karabakh was the part of Azerbaijan, Armenian forces should have left the occupied territories. The kind of status to be given to Nagorno Karabakh must only be determined by Azerbaijan. Gr.Britain proved its unchanging and principal position connected with Armenian -Azerbaijan conflict and Nagorny Karabakh problem and only possibility of resolution of the problem in the framework of territorial integrity of Azerbaijan on December 1996 at Lisbon Summit of OSCE.
Azerbaijan President H. Aliyev met with the Minister of Foreign and Unity Affairs of Gr. Britain Malcolm Riphkind and discussed the ways of solutions to the long-lasting conflict, when he was in Lisbon. Gr. Britain declared several times its position in the resolution of the problem after Lisbon summit too. After the elections took place in Nagorny Karabakh region on September 1, 1997, the Foreign Minister of Gr. Britain gave declaration.

There was stated; "The invented Nagorny Karabakh Republic is not recognized by international community. The elections held on September 1 don't have any juridical right and this is fact that status of the region should be determined in the frame work of MINSK group of OSCE. We completely support the tutitorial integrity of Azerbaijan and the efforts for just resolution of the problem on principals determined by OSCE at Lisbon Summit of MINSK group members. We hope that two sides will do their best for peaceful resolution of the problem. The extraordinary and plenipotentiary ambassador of U.K. of Great Britain and Northern Island to Azerbaijan E. Taker in his interview (January 26, 2001) to "Xalg Gazety" stated that Nagorno Karabakh was indivisible part of Azerbaijan. Armenian armed forces had to leave the occupied territories. The ambassador continuing his speech said: "the British officials numerous times declared that status to be given to Nagorny Karabakh had to be determined by leaders of Azerbaijan Republic. Official London supports and will support the just position of Azerbaijan in Azerbaijan - Armenian conflict. Gr. Britain is hopefully looking at the talks going on between presidents of Armenia and Azerbaijan and expecting that they will come to conclusion in the result of these talks. But besides it, if we - Great Britain can do something on peaceful resolution of the problem, we are ready to do it".

A group of deputies of Parliament Assembly in spring session of Parliament Assembly of European Council (PAEC) held in Strasbourg from April 23 to 30 2001 made speech appealing to recognize the massacre of Azeries by Armenians. Concerning this declaration "about the recognition of massacre policy of Armenians towards Azeries" was spread in the session. There was stated that aggression towards Azeri nation has started since Gulustan (1813) and Turkmenchay (1828) agreements consolidating the division of Azerbaijan territories in to two parts. Besides, it shows that claims of "Great Armenia" instigated Armenians to make a mass massacre against Azeri in the Caucasus during 1905-1907. It should be noted that 49 deputies from 20 countries supported this document. Among those who signed the document was the deputy of Gr. Britain in PAEC Mr. Davis. This event was valued in Baku as the next diplomatic victory. For example, the chairman of political-social department of executive organ of President, Ali Hasanov said to correspondent of "Nezavisimaya Gazeta" published in Russia that the acceptance of such document was the victory of Azerbaijan in international area, because it's first official document in international organizations that accept the massacre against Azeries.
CHAPTER II.
AZERBAIJAN-GREAT BRITAIN
ECONOMIC RELATIONS

1. British companies are the main partners of Azerbaijan

The oil factor played a crucial role in forming British-Azeri economic relations and in their further development. Moreover, Britain shows a great interest in other fields of the economy (banking, insurance, telecommunications, construction, transportation, etc.).

At the present moment, economic relations with Great Britain, one of the biggest investors in Azerbaijan, are regulated by the following contracts: The memorandum on energy cooperation; An agreement on the elimination of double tax laying; The mutual agreement memorandum on the formation of the Azerbaijan-British; Trade and industry council; An agreement on the investigation and mutual defence of investments, and a Contract on cooperation in the field of air transportation.

Besides this, the declarations of April 5th 1994 about "the liberality of foreign trading in the Azerbaijani Republic" and of January 7th 1999 about "the elimination of artificial hindrances in business development" signed by the President of the Azerbaijani Republic Heydar Aliyev and the decree of 1996 about the provision of guaranteed export credits to Azerbaijan played an important role in economic relations.

It should be mentioned that, Great Britain was the first western country to provide an official guarantee to the financial institutions and to officially welcome any kind of investments. The first decree about provision by the state of 25

In 1993-2000 the commodity circulation in Azerbaijan was as follows:

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<tr>
<td>Commodity Circulation</td>
<td>8,1</td>
<td>68,6</td>
<td>57,8</td>
<td>27,9</td>
<td>15,8</td>
<td>109,3</td>
<td>77,9</td>
<td>77,656</td>
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<tr>
<td>Import</td>
<td>5,3</td>
<td>6,9</td>
<td>9,3</td>
<td>14,9</td>
<td>14,4</td>
<td>69,0</td>
<td>67,1</td>
<td>58,871</td>
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<tr>
<td>Export</td>
<td>2,8</td>
<td>61,7</td>
<td>48,5</td>
<td>13,0</td>
<td>1,4</td>
<td>40,3</td>
<td>10,8</td>
<td>18,785</td>
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<td>Tendency</td>
<td>-2,5</td>
<td>54,8</td>
<td>39,2</td>
<td>-1,9</td>
<td>-13,0</td>
<td>-28,7</td>
<td>-56,3</td>
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<td>Its place in the Foreign trade of Azerbaijan</td>
<td>12</td>
<td>6</td>
<td>8</td>
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million dollars was issued in June 1996. Sixteen million dollars from this sum were allotted to finishing the construction of Bina airport.

According to information given by the British government in early 1998, the amount of credits provided to Azerbaijan has been increased to more than 100 million dollars and this amount was more than that provided to other CIS countries, except Russia. Taking into account the size of its population, Azerbaijan occupies first place among CIS countries.

In the 1993-2000 period, Azerbaijan's imports comprised, predominantly, chemical, mechanical-engineering and industrial goods, manufacturing machines, mechanisms, social equipment, tobacco, tea, and pharmaceutical goods. Among the exported goods, aluminium, oil and oil products, cotton, magnetic ribbons and carpets were the most prevalent.

Generally, it should be mentioned that, with the participation of British capital, 307 ventures in the oil industry, construction, transport, services and other fields were registered. Sixty-three companies were joint ventures, 82 companies had 100% British capital and 162 companies were operating as branches and representative offices. Among these are included "BP", "Ramco", "Shell", "Spearhead exhibitions", HSBC (British Bank of the Middle East), "British Airways", "Morrison Construction", "AzeuroTel", "Brown and Root" and "Murphy International". Before looking at British investment activity in the oil and non-oil sectors of the Azeri economy, it would be appropriate to give some information about some of the British companies active in Azerbaijan, which are well-known all over the world with their huge infrastructure, finance and staff resources.

bp

There are very few companies in the world which, just from the mention of their name, you know instantly what the main activity is. One such company is Great Britain's "British Petroleum" company, which operates in more than 70 countries of the world; Western Europe, the USA, South and East Asia, Australia and Oceania and Africa as well as the countries of East Europe since the end of socialism in the last century.

During its 100 year existence, this company has survived competition in the global market, and year after year improved its activities, forming its own characteristic organisational structure. "British Petroleum Company pic" (the name is commonly abbreviated to BP) consists of several international sub-divisions: "BP Exploration", "BP Oil", "BP Chemicals", "BP Research", "BP Engineering", "BP Nutrition", "BP Rold air" and "BP Solar". According to the most recent information the market capitalisation of "BP" is 203 billion dollars, and its net turnover is 8.4 million dollars.

"BP Exploration," a key component of the corporation, undertakes the investigation and exploration of oil and gas fields. The aim of this company is the to identify fields of activity which have to potential to provide long-term revenue.
The turnover of "BP Exploration" was estimated 12 billion dollars in 1992 and it is the biggest contributor of revenue out of all corporations sub-divisions. The oil resources on its books in 1992 added up to more than 28 billion cubic meters. The history of this company begins with its activities prospecting for oil resources in Iran in the first decades of the last century. More than 200 experts of the company are engaged in the geological investigation of oil and gas resources. As a result of the wide application of new methods and procedures in geological, geophysical and geochemical surveying, great achievements have been reached. Techniques corresponding to modern standards are used in exploration, which helps to reduce losses, making activities very significant.

The "BP Oil" company is involved in oil production. This company is also engaged in the transportation, trading, production, marketing and transfer of oil and oil products to retail and wholesale consumers. According to figures for 1992 it delivered 400 thousand tons of finished oil products to 1800 filling stations and to hundreds of airlines and shipping companies. In the above-mentioned period the company turnover was 43 billion dollars. "BP Oil" is also involved in selling diesel fuel, fuel for ships, burned gas and drilling materials. The management of company consists of different branches, which according to their size are either subordinate to the president of the company, as with the USA and Europe divisions, or to the company's general director. The management the company's strategic direction.

"Air BP" is involved in the transportation of aviation fuel, "BP Marine" is involved in the transportation of ship fuel, but "BP Shipping" is engaged in providing strong tankers for transportation. The "Oil Trading International" sub-division specialises in trading consumer oil and oil products on the international markets.

"BP Chemicals" is involved in producing and retailing chemical products. It is famous in Europe for the production and trading of ethylene, polyethylene, styro-polymers, ethanol and other chemical goods. Besides, this company is a world leader in the production of ceramic goods. As with "BP Exploration", the company is run by its own president, who heads up the technical, production and finance aspects of the business. The strategic aims of the company include maintaining its leading positions in the aforementioned production areas, using effective technology and low-cost consumer goods to respond to the requirements of consumers with the help of effective management and forging alliances with its main manufacturing partners and clients in order to improve its position in important markets.

"British Petroleum Company pic", has its corporate headquarters in London at a building named "Britannic House". The company employs one million people and, as a responsible employer, operates corporate pension funds and insurance companies. The company has senior board members for the Asian, Pacific Ocean and Middle East regions. The company existed, and operated in Azerbaijan and other countries, in this form until, on August 11, 1998 it formed
an alliance with the "Amoco Corporation," a US-based company trading since 1889, in order to establish a strong and competitive presence in the global petrochemical and chemical markets.

The merged company has its headquarters in London and general management responsibilities fall to the president of "BP - Exploration" and head of the corporation Mr. John Brown. There are two co-chairmen sitting on the Board of Directors, with the intention of merging their functions to a large extent. "BP" holds 60 percent of the equity in the merged company with the remaining 40 percent of stock held by "AMOCO". According to Mr. Brown, "BP-AMOCO" is an excellent alliance of companies which have the same level of strategic and geographical abilities.

"BP" has a rich, interesting history owing to its ability to constantly improve its organisational and production structure. This is typified by English barrister William Knox d'Arcy, who after making a great fortune as a partner in the "Mount Morgans gold field" in Queensland, Australia, returned to England in 1890 and became the head of the Corporation of London. Having heard about the rich oil fields in Iran, d'Arcy allotted financial credits for an expedition to be sent there, in order to enrich his capital. The contract ran for a 60-year period and covered geological surveys, exploration and production in all Iran's territory except for five northern districts.

In 1901, the geologist Berlze was sent to Iran by d'Arcy to help out and the next year, after long preparations, Raynolds began the first drilling works in the territory named "Chiakh Surkh". Today we can say with pride that the men selected by Raynolds for the drilling work were recruited from oil fields in Baku named "Everlasting Flames", as well as others from Canada and Poland. So, we can say with full assurance that, being one of the ancient oil-producing countries of the world, Azerbaijan has made its contributions to the establishment of this magnificent oil company.

As a result of geological investigation work after the 26th May, 1908 signing of the contract for the "Meschidi Suleyman" oil field in Iran's Khuzistan region the foundations of the oil-industry were laid in the Middle East. William Knox d'Arcy established the "English-Iran oil company" in 1909, and so was laid the beginning of the activities of the future mighty company "British Petroleum".

William Knox d'Arcy, "British Petroleum" company founder
The company engaged in oil field exploration, the construction of pipelines and the building of an oil-predicting factory in Abadan.

Thanks to the great efforts of the British Navy and famous statesman Winston Churchill, the British government sponsored the projects of company. The oil Company established a tanker fleet in 1915, and a research center near London in 1918. In 1935 the English-Persian Company was renamed the "English-Iran Company."

The Company extended its circle of activities all over the Middle East, as well as in Iraq, Kuwait and in Bahrain. But in 1951, the Prime Minister of Iran (1951-1953) Mahmud Musaddig ordered the nationalisation of the Iranian oil industry and, along with other foreign companies, this company ceased to exist in Iran. Accordingly, in 1954 the name of the company changed into "British Petroleum".

Extending its activities "BP" began exploration and production of oil and gas resources in the North Sea in 1965. In 1969 the oil deposit named "Prudhoe bay" was discovered in North Alaska, USA, and following that the company initiated its activities in that powerful country. In 1982, "British-Petroleum" had gained a controlling share in "Standard-oil of Ohio" established by John Rockefeller.

On 24th July 2000 "BP AMOCO" declared its new livery and logo. The transfer to the new logo and livery was made necessary after it acquired businesses and assets to the value of 120 billion dollars as a result of its mergers with "AMOCO Corporation", "Atlantic Richfield" (ARKO), "Burmah Castrol" from 1998 onwards. After that period the oil company groups were called just "bp" (beyond petroleum).

Explaining these changes the president of "bp" John Brown said; "Being the results of the latest achievements and mergers it shows how the company has changed. At the same time it shows how we will change going further from our traditional business, like oil investigation and oil productions trading.

For example, "AMOCO" and "ARCO" entering into the group has increased our productivity from 15% to 35% in gas production. And we intend to increase it up to 45% in 2003. And it enables us to take extensive involvement in the gas business just as an oil company. To give another example, the sale of single non-oil products comprises one third of our trading in the worldwide scope.

The main object of the basic increase of our company is to increase the share to 50% or more. Add to that our "bp Solar" business, which is engaged in developing solar energy and from which, we hope to earn 1 bullion dollars by 2007."

During the last 20 years "bp" has maintained its trading relations with the former Soviet Union, its representative office has existed in Moscow for some time. At present "bp" has successful activities in several former Soviet republics, as well as in Azerbaijani Republic.

The history of "bp's" activities in Azerbaijan is very interesting. The basis of these relations had been set in Azerbaijan while our republic was part of the Soviet Union. In 1987, the amendments to the edict about "USSR Joint Ventures"
allowed foreigners to put their capital into the Soviet economy. In January, 1991 the USSR and the Azerbaijani Republic declared a tender in order to jointly explore the oil and gas reserves of the "Azeri" field.

Like other foreign companies, "bp", which wanted to begin its activities, expressed its interest and in the last decade of the century participated in the tender. Former president of the "British-Petroleum company plc" corporation David Salmon (1992-1995) has said: "In modern times we have built important and promising relations with the oil industry of the former Soviet Union. Large-scale oil and gas production in these countries is a source of interest for us. We are very honoured to work with all professionals in the oil and gas industry.

In 1991 the "AMOCO," "UNOCAL" and "MACDERMOTT" companies, with the "British-Petroleum-Statoil" alliance formed a consortium which took part in the above mentioned tender. The representatives of "BP" visited our country, and presented their proposals about exploration of the "Azeri" oil field, and generally, about the development of social infrastructure. "AMOCO" was declared the winner of the tender. After the consortium was established which included the "BP-Statoil" alliance, "MACDERMOTT", "UNOCAL" and "RAMCO" companies under the leadership of "AMOCO" company, certain agreements were archived as a result of negotiations with the government.

As a result of ongoing negotiations with foreign oil companies, certain significant events happened in the next year. On July 17 1992 the president of Azerbaijani Republic Abulfas Elchibey received John Browne, the president of "British Petroleum". The former Prime Minister of Great Britain Margaret Thatcher visited Azerbaijan on September 7, 1992. During this visit an agreement was signed between Azerbaijan's government and "BP-Statoil" with the participation of President Abulfas Elchibey and Margaret Thatcher.

In November, 1992 taking into consideration that the "Azeri", "Chirag", and "Gunashli" fields has similar characteristics, five memorandums were signed between the foreign oil companies representing the "BP-Statoil" alliance and SOCAR in order to reduce expenses entailed in investment and exploration.

This process was ended on 6th May 1993 with the signing of a sixth memorandum. Furthermore on 4th July 1993, at a meeting of the SOCAR Board of Directors, two working groups were formed in order to conduct negotiations in London and Huston, the meeting also agreed to finish the work on the contract and to sign it at the end of September.

But in July 1993 the speaker of the Azerbaijani Parliament Heydar Aliyev, passed a resolution which intended to stop the negotiations with the foreign companies. Later, on September 16th, 1994, the leader of our republic in his briefing explained his actions, arguing that the draft contracts had some shortcomings and mistakes and that the project didn't correspond to our countries' national interests.

In order to rectify this process, new negotiations began in London involving independent experts from the USA, Canada and other western countries concerning SOCAR's draft oil contacts on the orders of our country's president. The
results of these negotiations were not accepted by President Heydar Aliyev, because, again, they didn't correspond to the interest of our country. Subsequently the president issued an edict on the "Intensification of exploration of oil and gas fields in the Azerbaijani Republic" based on proposals from principles scientists, experts and people with experience of working in the western oil industry.

After that the final period of negotiations began in Baku and Istanbul. The "Baku protocol" was signed on finishing the negotiations in the middle of July 1994 and work was begun on preparing draft contracts.

On 23rd May 1994, President Heydar Aliyev received Tim Eggar, the British Minister of Energy and the representatives accompanying him, who were visiting our country in order to participate in "the 1st International Caspian oil and gas exhibition". The representatives from "BP" led by Christopher Ride, and others, exchanged their opinions concerning the preparation of oil contracts and the negotiation process.

On 15th July 1994, the president of the Azerbaijani Republic Heydar Aliyev met Eddy Whitehead, Tom Doss and Richard Edmondson, respectively representatives from the "BP-Statoil", "AMOCO" and "Pennzoil" companies, at the Presidential Palace in Baku. The leader of the Republic emphasised that work had intensified very much after the decree, which had been signed on February 4th of the same year and noted that we can consider the agreements achieved at the Istanbul negotiations satisfactory.

It should be noted that, on 21st July 1994, SOCAR staff visited Houston at the invitation of the western oil companies' consortium and over 45 days engaged in preparing the projects. At last, after being acquainted with the draft agreements President Heydar Aliyev signed a decree on 14th September, 1994 about "the results of negotiations with the consortium of foreign oil companies on joint exploration of oil fields in Azerbaijan's sector of the Caspian Sea". At last, on 20th September 1994, as a result of negotiations between Azerbaijan's Government and the foreign oil companies which has gone of for nearly three years, "The Contract of the Century" was signed at the Gulustan Palace.

Under the terms of the contract "BP-Statoil" was afforded a 34.1 percent share in the consortium and was given the role of operator. On the same day the leader of the country met Tim Eggar, the British Minister of Energy and John Brown, president of "BP Petroleum". President Haidar Aliyev praised John Brown for his effective activity in Azerbaijan, and noted as a convincing example of these activities the cheque for the sum of five million dollars presented to him that day for the reconstruction one of the hospitals. On the same day an international conference on Caspian oil and gas fields was held with the participation of the "BP/AMOCO" alliance, "Unocal" and "Pennzoil." It lasted for three days and involved over 20 scientists, and experts gathered at the "Azerbaijan" hotel in Baku. So, a new period had begun in the activities of the "BP-Statoil" alliance in our country with the signing of "the Contract of the Century".

The British Prime Minister John Major had sent a letter to our President con
gratulating him on this historic event and welcoming the signing of the contract as the beginning of new period in relations between the two countries.

In 1994 the parliament of the Azerbaijani Republic ratified this historic Document and on 12th December 1994, president Heydar Aliyev signed the decree covering the ratification and implementation of the documents and so the contracts came into being. It also should be noted that, once the President had signed the decree that allowed a document on the provisions and commitments of the Azerbaijani Prime Minister to be implemented, which it duly was on 15th November 1994.

On 29th December 1994, the president of the Azerbaijani Republic Heydar Aliyev received the president of the foreign countries’ oil companies consortium Terry Adams and the ambassador of Great Britain to our country Thomas Young. During the meeting the leader of our state emphasised the importance of the first oil contract saying: "The oil contract differs from other contracts. It is a very great and important document. The implementation of this document is very significant and I have taken it under my personal control because, the people of Azerbaijan cherish this contract both politically and economically. Being a participant of these efforts I want that everything should be done in time."

Mr. Adams gave full information about how the oil contract will be implemented. He noted that, the participants of the contract had already evaluated the contract, for their part, were working out arrangements regarding tax, finance, support staff and so on and had already established an international cooperation company.

Describing the document signed on 20th September 1994, as the greatest contract of the century Terry Adams gave some information about his meeting with all the participating representatives of the contract and noted that they had approved the fields where short-term test wells were to be drilled.

Finally, he said that the consortium's commitment was to begin oil production within the 18 months that had passed from the time when the contract was ratified on 12th December. He said: "Currently, the issues concerning it are under consideration. We have established a particular team and it will directly engage with those issues."

On 23rd January 1995, the President of the Azerbaijani Republic Heydar Aliyev received the chairman of the Board of Directors of "British Petroleum Company pic" and the representative of the Queen of Great Britain as part of a
delegation under the leadership of Lord Ashburton. The leader of the country noted that the relationship between "BP" and SOCAR was also significant for the extension of Azerbaijan-Great Britain relations, and appreciated this visit as the beginning of the implementation of the oil contract.

The guest said that he was pleased to visit our country and noted that the main purpose of his visit was again to emphasise the commitments taken by "BP" concerning the contracts. During the conversation he noted an interesting fact that he learned about Baku's oil from a children's encyclopedia when he was five years old, and now he was very pleased to be here. He said that he hoped to settle some issues, as well as the issue concerning the route of the oil pipeline during the coming months.

On January 24th, 1995, the first meeting of the leading committee implementing the oil contract began its work in the Historical Museum in Baku. The SOCAR president Natiq Aliyev opened the meeting by delivering a speech. He informed the participants that after the signing of the contract the leading committee implementing the contract is Azerbaijan International Operating Company, the steering board, and an expert group concerning some issues.

In the first meeting of President Heydar Aliyev with the envoy of the Queen of Great Britain, and chairman of the Board of Directors of "British Petroleum" Lord Ashburton a Minimum Program of Compulsory Works and a budget amounting to 105 million dollars for 1991 was ratified. In the meeting our President said: "It should be noted that, though the process of preparing the draft contracts was hard, its implementation would be difficult too.

There are very hard and important work ahead. I am sure that, the representatives of the companies who participated in the agreement together with SOCAR will second their staff to take part in the further talks and have ordered that appropriate measures be taken in order to prepare the 3-4 year program of the implementation of the contract."

President Aliyev again emphasised that he had thought about the present and the future of the country when the contract was under preparation and when he signed it, and noted that the implementation of the contract would significantly affect the economy of our republic which was in a state of crisis, and would help our countries future development.

On 9th October 1995, the president of the Azerbaijani Republic Heydar Aliyev met the members of the international steering board of the oil consortium.
on "The Contract of the Century" in the Presidential Palace. The leader of the country said that he approved with great pleasure the work being done by all the companies and the international steering board of the Consortium from the moment when "The Contract of the Century" had been signed up to the present, and he congratulated them on their achievements.

The chairman of the steering board Terry Adams gave informed those present about oil, about the pipelines and the first oil that was to be produced for export, and about the decision to commit to the production of five million tonnes of crude annually from the "Chirag-1" platform. He then gave information about the approval of the budget totalling 700 million dollars for the Minimum Programme of Compulsory Works, about estimates of offshore hydrocarbon reserves, and the budget amounting to 450 million dollars.

It should be noted that, in the framework of the Minimal Programme of Compulsory Works the following measures had been fulfilled: survey work was implemented in order to assess the "Chirag-1" platform, fully examine the platform and support block, and to modernise computer technology; from August 10th till November 30th a three dimensional seismic survey was implemented in the Caspian Sea, and at the beginning of the year AIOC began work in the area of geological and geophysical investigation.

Exploration wells were drilled and geotechnical investigations were carried out in the region of the "Chirag-1" platform; technical pictures of the routes of the area and pipelines covered in the contract were drawn up, measures were taken to safeguard the environment and the prevent against any accidents that may happen while exploring oil and gas resources in the contract area.

In this year SOCAR and AIOC adopted a resolution about the implementation of the first oil-producing project incorporating the export of Azeri oil via the North and West export routes. On February 16th, 1996, a contract was signed between the Azerbaijani Republic and the Russian Federation about the transportation of the first oil through Russian territory; a contract was also signed between AIOC and the "Transoil" company of the Russian Federation about giving support to the transportation of the first oil through Russia.

* * *

On 4th June 1996, a new historic event concerning the oil industry of Azerbaijan came about. An agreement was signed in Gulustan Palace, Baku, between SOCAR and "BP Exploration Limited", "Elf Petroleum", "LUKOIL International", "Statoil", "Oil Industries Engineering and Construction" and "Turkish Petroleum Overseas Company Limited" about the exploration of the prospective "Shahdeniz" area situated in Azerbaijan's sector of Caspian Sea, and the division of shares within the exploration consortium.

It should be noted that "BP's" share of project was 25.5 percent. It was noted
in the contract that 500 billion cubic metres of gas and 190 million tonnes of were present in the "Shahdeniz" field. It should also be noted that this field, situated in the southeast of the Caspian Sea, 55 km from Baku, was discovered by Azeri oil workers during the Soviet period. Attending the signing ceremony Tim Eggar, the British Minister of Energy, said: "Mr. President, we believe in your wisdom and ability and we trust and support "BP" company heading the consortium as before."

The vice-president of "BP" Exploration Byron Grout said in his speech: "It will establish new opportunities to respond to the needs of the potential market for natural gas and will turn into a new source of profit for Azerbaijan. It is extremely important. But more important is that the contract will strengthen relationships between Azerbaijan and its partners."

On 24th August 1996, two significant events happened in the relationship between Azerbaijan and "BP". On that day in the presence of the president of the Azerbaijani Republic Heydar Aliyev, the "Dada Qorgud" semi-submersible rig was opened officially after reconstruction and repair work.

This important industrial object was built in the 1976 on the initiative of President Heydar Aliyev, while he was heading our country. According to the agreement signed between SOCAR and AIOC the rig, owned by "Caspian Oil and Gas Floating Rigs" was rented out and, on 1st September 1995, reconstruction work began at the "Shelf Project Construction" Production venture, and with the participation of the USA company the modernisation and reconstruction works had been finished with success.

The reconstruction and modernisation works involved 356 men and the great majority of them were local experts. In the course of the project they learned modern techniques and the English language, and acquired experience in foreign countries.

It should be noted that, in September 1996 drilling work started on the No 1 exploratory well in the "Chirag" field using the "Dada Qorqud" floating drilling mechanism. Together with this object AIOC implemented the modernisation of the "Caspian Sea Oil and Gas Fleet" shipbuilding factory. On the same day with the participation of the President Heydar Aliyev, the official opening ceremony of the new AIOC office in the Bail district, Baku, was held.

The President of AIOC Terry Adams delivered a speech at the ceremony and said that the office building was called "Villa Petrola", after the building of the Nobel family that still survives and exists in the Black city. It should be noted that Russian architects built this building on the basis of the Vesnins project during the Soviet Union as a palace of culture named after Zilch, but then it was reconstructed and modernised by the AIOC.
On 9th October 1996 the President of the Azerbaijani Republic Heydar Aliyev met the chairman of the Board of Directors of "BP" David Salmon. During the conversation Azerbaijan's President emphasised the active participation of "BP" in "The Contract of the Century" and noted that, "BP" has the biggest share among all the foreign companies who are taking part in the area of joint exploration of oil fields in Azerbaijan's sector of the Caspian Sea.

The guest noted that, during the two years that had passed since "the Contract of the Century" achievements were made and he said that President Heydar Aliyev's care and support played an important role in the development of their mutual relationship. He said that the implementation of the project about joint exploration of the "Shahdeniz" field would be successful.

On the same day President Heydar Aliyev received the members of the steering group and the Board of Directors of the Oil Committee. The president of AIOC said that the Board of Directors had approved a budget totalling 221 million dollars for the next year. It was noted that, according to the schedule of works that had been adopted on 28th August 1996, the first oil exports would begin, and a budget amounting to 668 million dollars would be allotted for the first oil exports.

He gave information about the implementation of seven of the ten commitments envisaged under the two-part implementation of "The contract of the Century", and spoke about measures taken towards constructing the North and West pipelines. Noting his satisfaction about John Adams' information, the leader of the country expressed his assurance that the planned works would be completed ahead of schedule.

On 10th October 1996, a ceremony was dedicated to the results of the two-year-old operations of the AIOC, established to implement "The contract of the Century," with the participation of President Heydar Aliyev in the Presidential Palace.

The contract for the joint exploration of the "Dan Ulduzu" and "Ashraphi" prospective structures in the Azeri sector of the Caspian Sea occupies an important place in the activities of "BP" in our country.

On 14th December 1996, an agreement was signed between SOCAR and "Amoco Nord Absheron Petroleum LTD", "Unocal Caspian LTD", "Delta Oil Company LTD" and "ITOCHU OIL Exploration (Caspian) INC" about share division for the investigation, joint exploration and production on these structures in Gulustan Palace, Baku. Potential investments in the agreement were estimated at two million dollars.

It should be noted that the above mentioned prospective structures are situated in the north-east of the Absheron peninsula, at a distance of 70 km from the coast. In the 1970's the structures were discovered by Azeri scientists and in 1982-1985 certain steps were taken in order to explore this fields, but had not been finished at that time.

As we noted before, after the signing of the merger agreement between "BP"
and "AMOCO" on 11th August 1998 currently, "BP/AMOKO" holds 30 percent of the production sharing agreement that had been signed for a 25-year period. The merged company undertook its activities in respect of the structures in the framework of the consortium of foreign companies called the "North Absheron Operation Company". After ratification by the parliament of the Azerbaijani Republic, the agreement came to fruition.

On 28th January 1997 the President of Azerbaijan Heydar Aliyev met the vice-presidents of Britain's "British Petroleum" and Norway's "Statoil", respectively Byron Grout and Rolf Magne Larsen in the Presidential Palace. Expressing his gratitude for the meeting Mr. Grout said; "Our representatives are not only responsible for the activities of our companies, but also for the conduct of the "Shahdeniz" project".

The guest noted that, during three days of their being in Baku they have met the president of SOCAR Natiq Aliyev and with the president of AIOC Terry Adams, and acquainted themselves with the activities of their company. The leader of the state noted that the visit of the leaders of the two companies to Baku and their familiarisation with activities of their representatives was an important point for the intensification of our joint work and said that the agreed plans were being implemented on a continual basis. The President of Azerbaijan in his address to the guests particularly emphasised: "The responsibility for the implementation of the "Shahdeniz" lies on your companies, because the controlling share belongs to you and you are the operators of this project".

According to the leader of the state the establishment of AIOC is a good experience. In the contract of "Shahdeniz" the consortium was established consisting of six companies, it must have an office, and a person fully heading the works. President Heydar Aliyev was informed that Mike Sherman, a representative of "British Petroleum" was appointed head of the "Shahdeniz" project. The leader of our country said to the representatives of the company that they must prepare a program of the works that needed to be done in the 1998-1999 period. He said: "I want to know how the work will be practically organised."

When President Heydar Aliyev was informed that such a program was prepared, he suggested that at first it must be discussed with the Azerbaijan State Oil Company, and then that he would be acquainted with the program and meet the representatives of the companies participating in the consortium and he would explain his opinion. Agreeing with the opinion of the Azerbaijani President Byron Grout said that they will use the experience acquired by AIOC and would try to learn from its mistakes and do better than it.

At the end of the meeting the leader of the state again re-iterated that every contract must have its own Terry Adams, that is to say, it must have a representative who concretely heads up the work.
On February 28th, 1997, the President of Azerbaijan Heydar Aliyev met the members of the steering board and the AIOC's project leaders on "The contract of the Century" in the Presidential Palace. At the meeting the president of AIOC Terry Adams expressed his gratitude to the leader of the state, who directly participated in the implementation of the project, and to the head of SOCAR for his support.

He gave full information about the modernisation of the "Dada Qorgud" floating rig, about reconstruction of the 10 supply ships, the investigation of the routes for the first oil export pipeline, surveys concerning the environment, the reconstruction and modernisation of the Zig factory, reconstruction of the "Azerbaijan" crane and "Israfil Huseynov" pipe-laying ships, connection of underwater pipelines stretching over 230 km long, and the reconstruction of the top-side modules of the "Chirag-1" platform to international standards in the "Shelf project and building" factory.

He also reported on completion of the northern pipeline route and about plans to finish the Western pipeline route by the end of 1998. The President of Azerbaijan Heydar Aliyev, after listening to the reports of the heads of AIOC again emphasised that the work done by the oil consortium is under his control. He gave a positive evaluation of the work done in 1995-1996 and expressed his assurance that, the amount of Azeri engineers and workers participating in the works on implementation of the fields would increase. The leader of the state said: "AIOC is a flagship, the leader of all our contracts. In the implementation of other contracts they will follow you, using your experience they will achieve good results."

On 10th April 1997, President Heydar Aliyev met Sir Brian Fall, the consultant to the "BP" Board of Directors and the former accredited ambassador to the Russian Federation and to Azerbaijan, in the Presidential Palace. At the meeting Sir Brian spoke graciously about the participation of "British Petroleum" in the two contracts signed for the joint working of fields in the Azeri sector of the Caspian Sea, and expressed his assurance that Azerbaijan will be one of the most developed countries in the world in 20-25 years' time.

Then, the leader of the state said that "BP" was one of the first foreign companies to being joint working and cooperation in our republic, and noted that, "BP" owns a substantial share in "the contract of the Century" signed in September 1994 on the joint exploration of the deepwater "Azeri", "Chirag" and "Gunashli" fields in the Azeri sector of the Caspian Sea. British Petroleum and Norway's "Statoil" have also taken on themselves the greater part of the responsibility in the contract signed in June 1996 on joint exploration of the "Shahdeniz" oil and gas field.
The President, recalling that "BP" representative Terry Adams' was the head of the Azerbaijan International Operating Company said: "I think that "British Petroleum" has begun very long term work in Azerbaijan. I was always taken a positive approach to these issues and think that our cooperation will be successful in the future".

On 5th March 1997, President of Azerbaijani Republic Heydar Aliyev met members of the Management Committee of the "Shahdeniz" contract project in the Presidential Palace. Opening the meeting with a speech the leader of the state noted that he was informed about the meeting of the Management Committee and about the discussions of some issues, and said that he wanted to listen to information about the program of planned activities.

Then the president of "BP Exploration (Shahdeniz) LTD" Mike Sherman gave his report. He noted that his staff consisted of 20 people working on the project and expressed his hope that the proportion of Azeri experts would increase as the project developed. Mr. Sherman noted that the agreed exploration period of three years, that is from 17th October 1996 until 17th October 1999, included obtaining seismic information about an 800 square kilometre area of the "Shahdeniz" structure, investigations on the topography of the sea floor in the area, drilling two exploratory wells at a point in the reservoir where there was considerable pressure, and in a structure which was 500 metres below the sea surface and 60 metres under the sea bed.

He informed the meeting information that the consortium will always give great significance to issues like ecology, safeguarding workers health, labour security and with this in mind they had prepared and signed a protocol about ecological standards as a result of cooperation with Azerbaijan's State Committee for Ecology and Nature. The president of the company noted that modernisation work at the "Caspian Oil Fleet" shipbuilding factory had already begun and that between seven and 10 million dollars would be allotted for the work.

A new "Shelf" type floating rig would be finished by October 1998 and 115 million dollars would be allotted to this work, Mr. Sherman said. Giving a positive evaluation of the work carried out over the five months since the contracts were ratified the president of Azerbaijan said: "Finally, summing up our meeting I want to say that in a short period of time - in five months - you have done much work. I congratulate you on this work. I wish that you will implement the program agreed in the 1997 ahead of schedule. During the work process, when you need, you can come and see me. I am always ready to listen to you".

On 4th September 1997, President Heydar Aliyev received the president of the AIOC Terry Adams in the Presidential Palace. Talking about recent work Mr. Adams noted that the Sangachal terminal would be ready by the end of September, the part of the pipeline in Azerbaijan's territory was filled with oil, and the undersea section of the pipeline would be finished by the end of that month.
The drilling of the first well from the "Chirag-1" platform would be finished by the end of that month too, he said. AIOC was ranked fourth in the world for observance of safety in its work. The leader of our state expressed his satisfaction with the work done and said he viewed it as a practical result of "The Contract of the Century" and particularly emphasised the work of the AIOC and Mr. Adams in this effort.

On 7th November 1997 the first oil production began at the first exploration well drilled from the "Chirag-1" platform as part of "The Contract of the Century". Drilling of the 2.936 metre deep well began in August of the same year and as foreseen the work had been finished at the end of October. This day was as significant an occasion in Azerbaijan's industrial history as the legendary day in 1949 oil production began at the "Oil Rocks" field.

On 12th November 1997, a ceremony was held to mark the occasion of the first oil being produced from oil fields worked jointly with foreign companies in the Azeri sector of the Caspian Sea. The ceremony was attended by the President of the Georgian Republic Edward Shevardnadze, the Prime Minister of the Turkish Republic Mesud Yilmaz, British Foreign Office Minister Derek Fatchett, the first deputy Prime Minister of Russian Federation Boris Nemtsov and other officials. The President of Azerbaijan Heydar Aliyev delivered a speech at the ceremony, expressing his gratitude to the heads of AIOC and particularly to the representative and head of "BP" Terry Adams.

In his speech he said; "From the time that AIOC was established we were catalysts for the most historic changes happening in Azerbaijan. We created such a foundation that Azerbaijan has very successfully built its new oil strategy on it". He informed those present, that AIOC from the time that it began its activities in Azerbaijan had invested one billion dollars.

Terry Adams presented the Azerbaijani President with a picture of a new rose that had been grown specially from an original rose strain registered with the International Rose Society as the "Peace rose of President Heydar Aliyev" and which belonged to her Majesty the Queen of Great Britain. Mr. Adams said that 200 of the roses would be sent to Baku and be planted in the place that the president chose.

On the same day President Heydar Aliyev and the guests attending the ceremony came to "Chirag-1" platform and got acquainted with it. The sub-sea oil pipeline, running 176 km from the platform to the Sangachal terminal had been built. Besides that, the gas pipeline stretching 48 km from the platform to Oil Rocks had been built. The official opening ceremony of the Sangachal terminal had been held. Thus, the transportation of the first oil along the Northern Export Pipeline had begun.
On 20th November 1997, President Heydar Aliyev received Richard Oliver, Managing Director of "BP", in the Presidential Palace. At the meeting Richard Oliver congratulated President Heydar Aliyev on the production of the first oil from the "Chirag" field, and spoke about the intentions of "BP" to take part in the economic development and joint exploration of Azeri oil fields. President Heydar Aliyev greatly appreciated the development of cooperation between Great Britain and Azerbaijan, as well as between "BP" and Azerbaijan.

On 23rd January 1998, President Heydar Aliyev met the president of the Azerbaijan International Operating Company Terry Adams, whose term in office had come to an end. Appreciating very highly Terry Adams' activity in Baku, the leader of our country spoke about the work that had been set in motion three years before in Azerbaijan, the implementation of "The Contract of the Century", and he noted that our nation highly appreciates his work and owes him great respect.

He said; "I highly appreciate your work, your services in our country and I rewarded you with the Order of "Fame" of Azerbaijan and I issued a decree about it." Expressing his thanks to the leader of our country for his high appreciation of his work, Terry Adams noted that, if it were needed, he was ready to serve Azerbaijan in the future too.

"It should be noted that, after having been the president of AIOC from 1995 and after returning to his home country, Terry Adams was elected chief executive officer of "Monument Oil and Gas." On January 23rd, 1998, President Heydar Aliyev signed a decree about rewarding Terry Adams with the Order of "Fame" for his service in the development of the offshore oil industry in Azerbaijan and in the establishment of international cooperation in this area."

On 30th March 1998, President Heydar Aliyev met John Browne, chief executive officer of "BP" in the Presidential Palace. Mr. Browne, remembering his first visit to our country in September 1994 while "The Contract of the Century" was signed noted that great changes happened in Azerbaijan since that time.

He informed President Heydar Aliyev about his trip to the platform built for exploration of the "Shahdeniz" field, and about his acquaintance with the work process. Mr. Brown had expressed his satisfaction with preparations for drilling of the first well off the platform, emphasising the fact that more Azeri experts had been recruited, a development which he said was real progress.

The guest expressed his gratitude from the start of oil production in the framework of "The Contract of the Century" and added that, after the first agreement about exploration of oil fields in the Azeri sector of the Caspian Sea, much work had been done, agreements had been signed for the explo
ration of new fields and large sums of money were allotted for the implementation of this project.

He noted that a new, third office of the company was to be opened in Baku, and invited President Heydar Aliyev to the opening ceremony. The leader of our state emphasised that he had taken the work for the modernisation of the former "Shelf-5" drilling rig under his personal control and he offered his assurance that this well, like "Dada Qorgud," would begin work in September of the current year under its new title.

Expressing his gratitude for his invitation to the opening of the new "BP" in Baku, the president said it was a measure of the company's dedication to Azerbaijan and he noted that he hoped that the "BP-Statoil" alliance would be more effective.

On 31st March 1998, the "BP-Statoil" alliance opened its new office. The president of the "Shahdeniz" project management staff of the alliance Mike Sherman gave information to the leaders of our republic that in May-June of the current year drilling works would begin off the "Dada Qorgud" floating rig in the "Shahdeniz" field and according to plans, the "Shelf-5" drilling will be put into use after modernisation work in September of that year.

Attending the opening ceremony of the office "BP's" chief executive officer John Browne said; "Mr. President, due to the work that has been implemented by your side this office will help us in our work here. It is an extremely great, responsible and hard purpose and we will do our best in order to realise it. This is a great beginning, as it is said, the first stretch of a long Journey". Then the President Heydar Aliyev delivered a speech at the opening ceremony.

**President Heydar Aliyev's speech**

- Respected friends and guests!
- Respected ladies and gentlemen!

I congratulate you on the opening of the new office of two of the world's big oil companies - "BP" and "Statoil" which have already occupied a very valuable place in Azerbaijan.

I did not come here to celebrate just the historical event of this building, completed to the highest standards, being opened. I came to meet you in order to give an evaluation of the activities of "BP" and "Statoil" during their work in Azerbaijan. Undoubtedly, the building that you have reconstructed and now give put into use occupies a significant place among the buildings in Baku, Azerbaijan's capital. Naturally, it is a step towards promoting the prosperity of our historic Old City.

The trend of foreign companies, as well as oil companies and financial centres having their offices in Baku's Old City is not by chance. It is natural. Because, the Old City is a museum reflecting the ancient history of Baku. And you also try to get a place in this museum and you succeed in it. I highly appre
ciate it and I think it is a good tendency.

I congratulate you on this occasion. But in this meeting the only thing that makes me happy and gives a meaning to this day is that you have reached a new stage in your operations in Azerbaijan. Yesterday, in our meeting we exchanged our views about the implementation of the first contract signed together in September of 1994 and we were all pleased that this contract was implemented very successfully.

The "BP" and "Statoil" companies have a substantial share in the first contract and you have done very valuable work in the implementation of this contract. But after that - in June of 1996 - you signed with us a new contract concerning the exploration of the "Shahdeniz" gas and oil field. I was pleased with the information that you gave me about your works concerning "Shahdeniz" project. It shows how much significance you gave to these projects. I am very pleased that you are very seriously engaged with the "Shahdeniz" project.

I hope that the promises given to me today will be fulfilled in time. We afford great significance to the "Shahdeniz" field, and to the work done jointly with you; I think that, it will allow us to use the oil and gas products of this field. I listened very attentively to your information about your modernisation of the "Shelf-5" drilling rig, its preparation according to modern standards, and about the start of its operation in September of this. I heard that news with pleasure.

It is very good that you built the rig to a high standard. Today I was told that, the "Shelf-5" rig will be in a higher position than the "Dada Qorgud" rig. The construction of such rigs and their exploitation means they can be used not just on one fields but on other prospects as well, which makes this work very important with far-reaching implications.

Today, in this meeting one of the points that pleased me was that, here, in your office many young Azeri people are working. I think that this tradition will be enlarged gradually. It is also natural. Because, you have got a great experience. In order to organise your work here you will have to use local staff. You also know very well that, in the area of oil and gas generally, in other areas of science and technology there are large numbers of trained professionals and talented young men in Azerbaijan.

I remember, while getting acquainted with the "Dada Qorgud" rig I saw that the majority of people working there were Azeri experts, engineers, technicians, workers. I don't doubt that on the new rig the situation will be the same if not better. Generally, this is one of the priority areas of the contracts that we have signed, that is to say the issue of local staff working together with high-level experts from the foreign partner companies. I am happy that we have achieved this purpose too.

One of the another points that made me happy is that, in order to work practically in the "Shahdeniz" field you have done much work for the implementation of the agreed program. I hope that, you will achieve success in the future too. I again congratulate you on this occasion.
"BP" and "Statoil" were some of the first foreign companies to come to Azerbaijan to co-operate in the oil sector. I especially appreciate our relations with the "BP" and "Statoil" companies and today I declare that we will develop and extend these relations in future too. I wish you luck in all the work that you do in Azerbaijan. Thank you!

"Araz", "Alov" and "Sharg". During the official visit of the President of Azerbaijani Republic Heydar Aliyev to Great Britain from 19th-24th June 1998, the leader of our state on 21st July 1998 met the chief executive of "BP" Corporation Sir John Browne in the residence given to him in London.

On the same day in Downing Street, London, with the participation of the Prime Minister of Great Britain Tony Blair and the leader of our state an agreement was signed to create a production sharing agreement for the investigation, exploration and production of oil on the "Araz", "Alov" and "Sharg" prospective structures in the Azeri sector of the Caspian Sea between SOCAR, "British Petroleum" and "Statoil". The agreement passed onto the statute book after the President's signing of a corresponding decree on 26th December 1998.

The afore-mentioned structures are situated in the Azeri sector of the Caspian Sea, 120 km south-east from Baku. According to the agreement three test wells were to be drilled by 2001. The drilling of the first well was sunk in 1999. The period the contract was due to run was set at 25 years and between five and four billion dollars worth of investment was earmarked for it, according to the terms of the agreement, which also gave "BP" a 15 percent share in the consortium.

"Inam". It should be noted that on the same day a production sharing agreement was signed for the investigation, exploration and production of the "Inam" prospective structure situated in the Azerbaijan sector of the Caspian Sea. The agreement acquired the force of law after a corresponding decree was signed by the head of the state on 26th December 1998.

The "Inam" block is located 160 km east of Baku. Oil reserves in the structure were estimated at 1.4 billion barrels, or more than 190 million tonnes, and three billion dollars in investment was allotted to the project.

A time-scale of at least three years and not more than five years was set for the drilling of the first two exploratory wells, according to the agreement. It also set the term of the contract before expiry at 25 years with the option to extend it for an additional five years. "BP's" share in the project was 25 percent.

On 13th August 1998 President Heydar Aliyev met a delegation headed by the vice-president of "BP Exploration" David Allen. At the meeting the president spoke about the agreement signed between "BP", "Statoil" and SOCAR concerning joint exploration of the "Araz", "Alov" and "Sharg" prospective structures in the Azeri sector of the Caspian Sea during his official visit to Great Britain with
the participation of the Prime Minister of Great Britain Tony Blair on 21st July of that year.

The president noted that this agreement had laid down the foundations for some important new work. Speaking graciously about his acquaintance with "BP's" industrial-manufacturing division in Scotland, the leader of the republic expressed his thanks for hospitality shown to him during his official visit to the British Kingdom. Speaking about the merger of "BP" and "AMOCO" from, David Allen said that the executive directors of "BP" would soon come to Baku, and they would give a comprehensive briefing about this decision to President Heydar Aliyev.

He said: "I am sure that the merger of the global activities of such authoritative companies like "BP" and "AMOKO" will produce good results". The President then emphasised the leading role of the two companies in "the Contract of the Century" signed in 1994 for the exploration of fields in the Azeri sector of the Caspian Sea, and wished them luck in their future endeavours.

On 2nd September 1998 the President of Azerbaijani Republic Heydar Aliyev took part in the launch ceremony of the "Istiglal" floating rig, which had been reconstructed and modernised by the "BP-Exploration" ("Shahdeniz") Consortium.

This rig, which has great significance for Azerbaijan's oil industry of was built in the Russian Caspian Sea city of Astrakhan city under the name of "Shelf -5" during the Soviet period and it was first put into exploitation in 1990. But after the collapse of the Soviet Union economic relations between Russian Federation and other former Soviet countries broke down, leading to reduced demand for drilling work which meant the rig was not working at full capacity and eventually was mothballed in 1995.

Work on the modernisation and reconstruction of the rig began on 31st March 1997 and was finished in the space of 17 months, with 26 companies taking part in bringing the rig up to its new specifications. The name "Istiglal" was given to it by the President of our Country. Before reconstruction the rig could only work only water to a depth of 200 meters deep, and could drill to a depth below the water's surface of no more than 700 metres, but now it can work in the places 700 meter deep of the water line.

The leader of our Republic, while being given a guided tour of the rig, met the executive director of "BP - Exploration" David Allen, who expressed his gratitude to President Heydar Aliyev for taking part in the ceremony and for his great attention and care to the modernisation of the rig.

He noted that "Istiglal" was the first rig having capable of drilling in the high pressured deep layers of the water in the Caspian Sea. The drilling of the wells at
such depths is very important to discover oil resources in Azerbaijan's sector of the sea. It should be noted that 1200 Azeri experts and workers were involved in work related to the modernisation of the rig and during the project Azeri professionals has undergone special training courses and learned new skills and techniques.

Delivering a speech at the ceremony President Heydar Aliyev said: "The work done and the results that have been are only the result of the independence of the Azerbaijani Republic and the result of a correct domestic and foreign which allows us to profit from the independence and freedom of Azerbaijan".

On 31st March 1999, the President of Azerbaijani Republic Heydar Aliyev presented "the Order of Fame" to head executive director of the "Monument Oil and Gas" of the Great Britain, the former president of the AIOC Terry Adams in the President Palace. The leader of the country again highly appreciated the services of Terry Adams the first President of the AIOC.

He said: "Mr. Terry Adams has shown great abilities during his work in this high position. He had shown his being great engineer, expert and provided the successful work of the consortium with his knowledge, experience, and practical activity. The merits of Terry Adams is great in the establishment of Azerbaijan International Operating Company, in its development, infrastructure, staff potential and in all other works. So, Mr. Terry Adams has earned the respect of the Azerbaijani society. And so, he has been awarded with order of "Fame", the highest state reward of Azerbaijan."

Expressing his gratitude for the highest state reward Mr. Terry Adams said: "Today it is a great honour for me to receive this order. I think that, this reward is not only given to me, but also to my counterparts, with the occasion of finishing this works by the leaders of the consortium and AIOC with good results. I want to congratulate the both sides with this occasion."

Highly appreciating the merits of the leader of our state Mr. Terry Adams said: "Mr. President, with you leadership Azerbaijan now is very stable. Azerbaijan has already earned international and geographical status.

Mr. President, all these have been achieved due to your leadership. All these have been achieved due to the oil strategy that you have worked out."

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On 9th April 9 1999, the President of the Azerbaijani Republic, Heydar Aliyev, accepted the president of the AIOC, David Woodward, and other leaders of this company in the presidential palace. Mr. David Woodward expressed his gratitude to the leaders of our republic for the meeting with them and gave information about the current situation of the works and said that on 17th April of the current year the Supsa terminal and the Baku-Supsa oil pipeline would be
opened. He said: "Mr. President, this project has been realised due to your farsighted policy."

On 17th April 1999, the President of the Azerbaijani Republic Heydar Aliyev took part in the opening ceremony of Baku-Supsa West Export Pipeline and Supsa terminal in the cost of the Black Sea of Georgia together with the President of Georgia, Edward Shevardnadze, and the President of Ukraine, Leonid Kuchma.

It should be noted that on 10th April 1998 the filling of the first oil to the West export Pipeline began and on 8th April 1999 the first tanker left the Supsa terminal with oil. As it is known, on 8th October 1999 two variants of the initial oil route - North variant and West route, were approved in the meeting of the Head Committee of AIOC, and on 8th March 1996 during the visit of President Heydar Aliyev to Georgia, an inter-governmental agreement was signed about transportation of the Azerbaijan oil with the Baku-Supsa Pipeline through the Azerbaijani and Georgian Republics.

The Supsa terminal consists of four cisterns capable of holding 950 thousands barrels of oil. It has the system of providing, with requirements for tanker loading, including the set of pipeline stretching underwater and loading mechanism floating at a distance of three kilometres from the coast. The route of the West Export Pipeline is as follows: Sangachal terminal, in the Caspian Sea of Azerbaijan to the north of Tbilisi, through the mountainous region at some 1,200 meters of Georgia to the Supsa terminal and from there to the tanker loading mechanism of the Black Sea.

The value of the project is 565 million dollars. More than 4,000 men were involved in the construction works and 70 percent of them were the people from Azerbaijan and Georgia. Delivering a speech in the ceremony the President of the State Oil Company of the Azerbaijani Republic gave an information that, if 5 million tons of oil will be exported in a year, it will bring Azerbaijan 10 million, to Georgia 7,000 dollars of economical profit.

The President of the AIOC David Woodward said in his speech said: "It is a great honour for us to be here and celebrate the triumph of the engineering skills of people who have prepared the project of this new pipeline system and constructed it within 30 months. These people had to overcome the difficulties concerning the distance, relief and material-technical requirements, and they cared for the security of the environment and workers at these times.

"If we look around at the Supsa terminal we can see how skilfully they have overcome those difficulties. I again want to impress how influential all this are and congratulate all of us with this successful achievement".

The President of the Azerbaijani Republic Heydar Aliyev in the great ceremony delivering a speech said: "In the beginning of our century the first oil pipeline in Europe-Baku-Batumi oil pipeline was built. Now at the threshold of the 20th and 21st centuries we have built the Baku-Supsa oil pipeline, it will export the Azerbaijan oil to the world markets.
"All this due to the joint efforts of the Azerbaijan, Georgia and the oil companies entering to the AIOC. It is a logical result of our efforts began in 1995-1996-1997. It is an implementation, in the practical speed of "the Contract of the Century" signed with the Azerbaijan State Oil Company and 11 big oil companies representing nine countries of the world."

On 12th July 1999, the ceremony of the representing the results achieved in the "Shahdeniz" field of the Azerbaijan sector of the Caspian Sea to the President of our Republic Heydar Aliyev was held in the presidential palace. The President of Azerbaijan spoke about the works done concerning "the contact of the Century", and noted that, the "Shahdeniz" field was one of the rich and great oil and gas fields on the Azerbaijan sector of the Caspian Sea. This field was discovered in 1954 by the Azeri oil geologies, in 1976 it was defined that the field owns rich gas resources in the result of drilling and geological works.

He said: "In 1997-1998 and in the first part of this year, much great works have been done by the consortium. According to information given to me, good results also have been achieved. In order to listen to this results I have invited here the members of the consortium and other persons concerning this issue, as well as the ambassadors of foreign countries."

The President of the Consortium the president of the "BP-AMOCO Exploration Azerbaijan" company Andy Hopwood in his speech spoke about the production of the first gas condensation in the six kilometres deep of the "Shahdeniz" field and represented the example of the gas condensation in a special case to the President Heydar Aliyev.

Giving information about the works done by the consortium he noted that, in 1997 three dimensioned seismic investigations were done in the territory. In 1998, the "Istiglal" floating rig was modernised and given for exploration, the drilling works of the first well was finished in the current month, the 2nd well began to be drilled on 2nd May.

Mr. Hopwood gave information that there was more than a billion cubic metres of hydrocarbon resources in the "Istiglal" and 400 million cubic metres of gas determined in the field. Speaking about investment on the agreement he said: "The Partners have put 367 million dollars into this project up till now. I want to note that 105 million dollars of it was given to Azerbaijani companies and Azerbaijan joint companies.

"About 60 million dollars was given directly to Azerbaijan companies and to the joint companies of other countries' companies in Azerbaijan, to their services. Here include "Caspian Drilling" and "Caspian Geophysical" companies.

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On 20th September 1999, a great ceremony was held in the Palace of the Republic on the fifth anniversary of the "Contract of the Century". Delivering a speech at the ceremony the President of the Azerbaijani Republic Heydar Aliyev said: "The great achievements of "the Contract of the Century" in this 5 year period, is the fruit of legal, democratic, universal state establishment processes in independent Azerbaijan.

"It is result of far-sighted internal and foreign policy of the Azerbaijani State. It is the result of establishment market economy principles in Azerbaijan, the integration of our country to the world economy and the policy in the area of drowning foreign investors to our country. It is the result of joint work that we have done all together after signing the contract five years ago."

The President of the Azerbaijan International Operation Company David Woodward in his speech said; "The Contract of the Century" was the first big investment put by the foreign international companies in the post-soviet territory. This investment will be a bright lighthouse for other investors looking for new opportunities in the region."

He noted that, "From the day that "the Contract of the Century" was signed up until today, the company allotted 2.4 billion dollars to the operations and 1 billion dollars of it directly to the economy of the Azerbaijani Republic. And these reached Azerbaijan in the form of bonus, contracts signed with the local companies, tariffs and wages."

In his speech he specially pointed that, the only purpose of the AIOC and also his operator "BP-AMOCO" company is not to earn money or economical profit. "Working shoulder to shoulder with the Azerbaijan government, also with Azerbaijan people we intent to be much close to the society. By this purpose expend a lot of time and money," he said. "As a result, we have implemented some great significant projects of knowledge, social, art and science. We think that, the individuals intending to be good, honoured civil of this country and to take part in the live of the country very closely will provide, our involvement in the common development of the local life as well as bringing a profit."

The Director of Energy Projects at Department of Trade and Industry in Scotland, Ken Forrest, who came from Great Britain to take part in the jubilee ceremonies read the letter sent by the prime minister of Great Britain, Tony Blair, to the leader of our country and then he said: "We follow with great gratitude the implementation of the contracts signed by you. The reason for this is that some of the British companies participate in those contracts very closely. The "BP- AMOCO" companies are ahead, and some executive companies follow them in the result of the works, today we witness the achievement of success and achievement that we have watched at AIOC."
The next meeting of President Heydar Aliyev with the president of the "BP" company John Browne was on 30th January, on his working visit to the Swiss city of Davos to take part in the World Economic Forum.

Congratulating the leader of our country with the signing of an agreement on the Baku-Ceyhan basic export oil pipeline in Istanbul in the November of previous year, Mr. Browne spoke about intentions to expand the activities of the "BP" in Azerbaijan.

Noting that he was a supporter of the continuous development of the cooperation between the "BP" company and Azerbaijan, President Heydar Aliyev appreciated as a historical event of great, significance the signing of the agreement about Baku-Ceyhan basic export pipeline with the presence of the president of the USA Bill Clinton in November of last year in Istanbul.

Remembering the opportunities for Joint exploration together with authoritative companies of foreign countries of the rich oil and gas resources of Azerbaijan, the leader of our country expressed his satisfaction at the works done in our country by the "BP" company. Mr. Browne pointed out that the president of "BP" planning to came to Baku in the near times. The President Heydar Aliyev emphasised his consent to meet the president of the "BP" company again in Baku.

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The President of the Azerbaijani Republic Heydar Aliyev accepted the president of the production division of the "BP" company and the president of geological investigation division of the company Andy Hopwood on 4th March 2000 at the Presidential Palace on the occasion of representing gas production plan from "Shahdeniz" field.

Reporting about the works done Mr. Woodward said: "Azeri", "Chirag", "Gunashli" and "Shahdeniz" are the greatest structures explored in the world by the "BP-AMOCO" Company and so, then leader of our company Mr. Browne called Azerbaijan, the Mexico bay, Angola and Greenland one of the four important regions that "BP-AMOCO" going to put and investments within five to ten years. Accordingly, Azerbaijan is very important for our company and your support undeniable about it."

The president of the geological investigating division of "BP-AMOCO" Company, Mr. Andy Hopwood, gave information that they had produced from the wells drilled by the "Istiglal" floating rig 1.8 million cubic metres of gas a day under great pressure and at the same time from the second well 400 tons of condensate.

He spoke about the opportunities to produce one billion cubic metres of gas from each well in the future and that they expect it will even reach 3 billion cubic metres. He noted that, the document signed by the heads of Azerbaijan, Georgia and Turkey in November of the last year in Istanbul gave an opportunity to work
out a plan concerning the selling of the Azerbaijan gas to Turkey.

Congratulating the representatives of the "BP-AMOCO" corporation, the Azerbaijan State Oil Company and Azerbaijan oil workers on the results, the leader of our republic said: "As President of Azerbaijan, I am the person who decides the oil strategy of our state. We will implement this strategy together. We do very beautiful works today and the future of people, nation of Azerbaijan and will achieve good results, too."

On 17th October 2000 a ceremony of the signing "An agreement with the Government of the Azerbaijani Republic and participants of the basic export pipeline between the government having transit region" and "An agreement about financing and cooperation for engineering works and projecting of Baku-Tbilisi- Ceyhan ready oil pipeline project" were held at the Presidential Palace.

Generally, it should be noted that, the initiative exporting the Azerbaijan oil in the North (Baku-Novorossiyisk) and the West (Baku-Supsa) directions together with Baku-Tbilisi-Ceyhan route belongs to the President of the Azerbaijani Republic.

Signing the decree on 5th September 1997, he gave the mandate to the working group of Azerbaijan on the Basic Export Pipeline, and analogical committees were established in Georgia by the decree of the President Edward Shevardnadze and in Turkey by the decree of the Ministerial Chamber on 27th April 1998.

In the realisation of Baku-Tbilisi-Ceyhan in the result of great efforts of the leader of our republic on 29th October 1998 the Ankara Declaration was signed by the President of the Azerbaijani Republic Heydar Aliyev, the president of the Georgia Edward Shevardnadze, the president of Turkey Suleyman Demirel and the president of Uzbekistan Islam Kerimov with the participation of the ministry of power-engineering of the USA, Bill Richardson.

During the Istanbul Summit of the OSCE, the governments supporting the Baku-Tbilisi-Ceyhan basic export pipeline between Azerbaijan, Georgia and Turkey signed an agreement. An agreement with the three transit state committee supporting the investors of this project in Azerbaijan, Georgia and Turkey, an agreement of "key deliver" to the unchangeable cost in the direct value, and an agreement of insurance from Turkey government to the pipeline stretching from Turkey's territory also were included to this inter-governmental agreement.

At the same summit in Istanbul, the President of the Azerbaijani Republic Heydar Aliyev, the president of Georgia Edward Shevardnadze, the president of the Turkey Suleyman Demirel, the president of Kazakhstan Nursultan Nazarbayev and the president of the USA Bill Clinton, signed the declaration. All the documents were ratified in the Parliament of Azerbaijan (26th May 2000), Georgia (31st May 2000) and Turkey (21st June 2000), so the added project agreement has got compulsory international status.

The sponsors of the project are as follows: SOCAR (50%), "BP" (25.41%), "UNOKAL" (7.48%), "Statoil" (6.37%), TPAO (5.02%), Itochu (2.92%), "Ramco" (1.55%), "Delta Hess" (1.25%).
On 14th November 2000, the President of the Azerbaijani Republic Heydar Aliyev accepted at the Presidential Palace the president of the "BP-AMOCO" company and production division of the Azerbaijan International Operating Company, David Woodward, the vice-president on the Caspian region of "BP-AMOCO" Andy English and the president on the Azerbaijan "BP Exploration" Gordon Brielle, who carried a letter sent by John Browne to him.

Andy English said: "As you know, this region in the Caspian Sea (the part situated in the depth of the "Azeri" "Chirag" and "Gunashli" fields) is very important for "BP". As you see, our company has sent here the most skilful and professional representatives to work in Azerbaijan. In other words, from the point of view of our company we are very glad for the works, achievements in Azerbaijan."

Then, Mr. David Woodward gave information about the works done by "BP" in the area of implementing the "Contract of the Century." He noted that they planned to increase the production of the gas from 15 percent in the current year to 30 percent beginning from the April in the "Azeri" field, and that the forecasted profit of Azerbaijan in the current year would be 150 million dollars.

It is the beginning of the exploration of the next period-full scale working of the fields, it was planned to produce maximum amount of oil from those fields at the end of the 2004, beginning from the year 2008, 40 million tonnes of oil will be produced from these fields. Mr. Woodward pointed out that the existing terminal would be extended, a platform would be constructed in the "Azeri" field and the mechanism implementing different processes, the dwelling regions, pipelines would be constructed to export oil and gas to the land and eight wells would be drilled.

On 7th May 2001, the President of the Azerbaijani Republic took part in the representation of projects implemented in our country by "BP" of Great Britain in the presidential palace. The projects were represented by the head of our country, who welcomed the guests and said; "The head of "BP" Mr. Woodward wants to give information about the ongoing activities of the joint consortium and "BP" working for a long time, and about the works will be done in our country to day and in the future. In another words, he wants to represent the works done. I am very glad about this."

"It is known that, the works going on is under our control. We know these. But it is significant to represent, to report about it to us, at the same time to represent the works will be done in future and now to us and to the society. That is why I accepted this suggestion of "BP" and for this purpose I have invited here all of you here. I give the floor to the Mr. Woodward and probably, there may appear some questions, definitions."
Expressing his gratitude to the leader of our republic the head representative president of "BP" company in Azerbaijan David Woodward said: "Mr. President, I and my colleagues are using this opportunity with great pleasure want to give information about the works done in Azerbaijan. We also want to give the full information to you about our future plans in the frame of projects that we are implementing. Mr. President, before beginning the representation, let me congratulate you and the people of Azerbaijan on two great and important events ahead. The first of it is the day of victory, and the other is your birthday."

Heydar Aliyev: "Thank you very much!"

David Woodward: "The subject of our representation is the projects we are implementing in Azerbaijan are on the eve of new period. According to it our works in Azerbaijan will extend so much that, if we compare it with the first oil production project implemented till this time, so, it will be ten times more, large scope activity that had been done.

"For the success of this works the cooperation with the AIOC, with the state and government offices very significant for implementation of projects in time and according to the schedule. Mr. President, and now with your allowance we begin our representation. One of the copies of it will be shown on the screen. And one of the copies is in front of you.

"The first slide is covering the issue I Just wanted to show to you. That is, our projects, steps to such a period that, very great, worldwide construction works will begin here. Mr. President, in the forthcoming 12-month period our works will cover such a scope that we will give about eight to nine million dollars of sanction on the projects that we are implementing. That is why, in order to progress our works according to the schedule it is significant for us to cooperate with the state and government offices, as well as, to get their support."

Heydar Aliyev: "Please, Just a moment. In this first schedule you gave the general information. And before me of course are the writings. I see them too. But tit would be better that, you give more details about it. For example, you have written here that, worldwide huge construction works. You have said it. "Shahdeniz": Production and pipeline from 2.5 billion to 2.7 billion. It is very important. "Azeri-Chirag-Gunashli" in the first period from 6 billion to 6.5 billion. The remaining is natural, ratification of the resolutions in time, support for the implementation of projects, and so on they are clear. That is why I ask you to say this figures in your speech in order everybody know."

David Woodward: "Mr. President, this was Just a preface slide. Our intention was that, after preface to stop on that numbers, projects in a very detailed form. After making known these we may return to the conversation if you have any questions."

Heydar Aliyev: "Good."

David Woodward: "If there isn't appropriate information I am sure that you will ask questions and we will answer them."

Heydar Aliyev: "I agree."
David Woodward: "Mr. President, in the next slide we are presenting basic steps in the frame of works done by us. It is out of question that you know all of this very well. This begins from signing of agreement of production share division on "Azeri-Chirag-Gunashli" field. In 1996, the signing of agreement on "Shahdeniz" field, then trading agreement is the signing of agreements on Baku- Tbilisi-Ceyhan. The last one is a trading agreement of gas signed with Turkey on "Shahdeniz" achieved in March of the current year. Today I will explain the future plans about all three projects of "Baku-Tbilisi-Ceyhan", "Azeri-Chirag- Gunashli" and "Shahdeniz".

"Mr. President, in the timetable below we is representing the development plan on these projects. We shall begin the full, detailed engineering-projects works in the middle of June on Baku-Tbilisi-Ceyhan. It will allow us to give a sanction in the middle of the next year and we will begin the construction of Baku-Tbilisi-Ceyhan. "If the constructions begin in the middle of next year, then in 2001 we can build the pipeline on that project and give it into use. The sanction will be given in June of this year for the construction on the first phase of "Azeri-Chirag- Gunashli". The construction works going on the first phase of that project will be finished in 2004 and the mechanisms will be ready for use.

"If the negotiations going on with Georgia are finished in time and appropriate agreements achieved, and then if the agreement is achieved with Azerbaijan, the sanction may be given this year on the detailed engineering project works. If the issue of this year, i.e. if we finish this work this year, then the construction works on "Shahdeniz" may begin at the beginning of this year. My colleague Gordon Barrel now will give to you more detailed information about "Shahdeniz" project."

Gordon Burrell (the president on Azerbaijan of BP Exploration, the leader of the "Shahdeniz" project): "Mr. President, with your allowance I want to point out some our achievements in the frame of "Shahdeniz" project in the last few years. As Mr. Woodward said, the contract of production share division on "Shahdeniz" had been signed 1996. The "Istiglal" rig modernised and after ending this work, that rig had been used for the discover of gas-condensation field opened in 1999. "BP" and its partners on "Shahdeniz" have finished their investigation works in march of this year.

"Mr. President, the gas trading agreement was signed between Turkey and Azerbaijan with your support this year. The first engineering-project works will be finished in the forthcoming months in the frame "Shahdeniz". 

"Mr. President, this slide represent the mechanisms used for production in the first period frame of "Shahdeniz". I want to point some details to you. The "Shahdeniz" field will be explored in some periods. It only covers the first period. In the first period we will use the platform to be built, in the east side of the field. This platform will be constructed in the 100 metres of water depth. That platform will be connected with the Sangachal terminal and 2 pipeline that to be
constructed. In the next period some under-water works will be done to turn the platform into permanent platform. Mr. President, "Shahdeniz" is a very big and also very hard project.

"In the next slide we have exhibited basic activities will be implemented this year. This steps will allow us to produce the "Shahdeniz" gas and as it was shown, to deliver the first gas to Turkey around 2004. Together with the counterpart in Azerbaijan State Oil Company we have to sign the appropriate agreement with Georgia in a few days. The same type of agreements should be signed with Azerbaijan too.

"If these are achieved in time, then it will allow us to give a resolution about beginning of project in November. As I have said, the first part of the "Shahdeniz" project is very big and hard. That is why in this frame we have planed to put 2,7 billion dollars of investment.

"I again confirm the words of David Woodward that, in order to fulfil these works, basic activities before us, we expect close cooperation and support from state and government offices, generally, if we will construct the pipelines, from all of them, in order to confirm the appropriate documents in time and follow on the timetable. And now I again give the floor to Mr. Browne that, he will give you the detailed information about "Azeri-Chirag-Gunashli" project, and also about Baku-Tbilisi-Ceyhan project."

David Woodward; "Mr. President, in the next slide the figures and basic technical points representing the first phase of full-scope exploration of "Azeri", "Chirag", "Gunashli" fields were exhibited. Currently the first phase of a detailed engineering-project works period is under finishing. In the frames of this works we have already declared tenders, the companies have sent their proposals.

"In the frame of the first phase we plan to build two big platforms in the sea. One of them considered to be used only for oil production. But the second is the platform connected to it, this considered for filling again the reservoir with the gas produced together with oil, or deliver some part of it to the cost, or to the consumer."

Heydar Aliyev: "In the "Chirag" field?"

David Woodward: "Mr. President, it is the "Azeri" field. The second field connected to the "Chirag". All the top parts of the platform will be connected in Baku, Azerbaijan, but constructing works will be fulfilled on the cost. The top part of the platform in connected situation, in the full form will be loaded to the ship and then on the constructed foundation in the sea in a ready form. This is a new technology and will be loaded on the foundation. That is, the big load taken by the ship and from there it directly will be loaded on foundation. The top part of the platform taken by the ship is 14.600 tons. We will lay 14.600 tons of loads directly on the foundation. And this is a world record."
Heydar Aliyev: "You see that, Azerbaijan has everything. We have everything for your breaking the world record."

David Woodward: "Mr. President, it is so. It will allow us to save our time and to work more effectively. This slide shows the extension plan of Sangachal terminal. Because, Sangachal terminal extending have to overcome the production on two big projects "Shahdeniz" and "Azeri-Chirag-Gunashli" then from the second and the third phases will be delivered to this terminal. That is why it is considered to extend the terminal. Till the end of 2004, the terminal must be brought to such a position that it could have the force accepting 26.5 million tonnes of oil and condensate, more than 10 billion cub metre of gas in a year.

"In the next slide we have exhibited basic activities that will be done in the frame of the first phase in forth-coming months. As I have said, we have already got the proposals from the companies, which won the tender. Within one-two months we shall assess the proposals. With the purpose of giving discussions will be represented to the head committee. After the head committee confirms it, we shall begin constructing works till October. We shall sign agreements in the frame of tender and last engineering-project works will be finished, their material-technical provision and works will begin.

"In this slide there was represented the route of pipeline to be constructed from Baku till Ceyhan. There are some figures on pipeline too. This route has already been represented to the appropriate government and state offices in Azerbaijan, Georgia and Turkey and we are waiting for their answers. According to the calculations, the general longitude of pipeline will be around 1,745 kilometres long.

"But this slide is representing basic steps in the 2001 on Baku-Tbilisi- Ceyhan project. As we have said: before, in June of this year after finishing the initial engineering- project works, detailed engineering project works will begin. This will be after the decision of partners on Baku-Tbilisi-Ceyhan. After the works of detailed engineering project, which will continue 12 months, we will accept new decision. Thus, we shall settle the issues of finance and other works concerning it.

"In the next slide we wanted to exhibit the important result on "Azeri- Gunashli" and "Shahdeniz" projects. It is seen from this timetable that, we will continue the current production in the "Chirag" field. And it will be around six million tonnes of oil within some years. Beginning from the end of 2004 we will increase the amount of production to 20 millions tonnes in the following years. The production will be achieved in the future periods, and also the production of the condensate in "Shahdeniz" field will allow us to increase to 50 million tonnes in a year, the oil will be produced in Azerbaijan beginning from the year of 2007."

Heydar Aliyev: "In 2007?"

David Woodward: "Yes, from the end of the 2007."

Heydar Aliyev: "50 million tonnes?"

David Woodward: "Yes, beginning from that time we will produce 50 mil-
lion tonnes of oil. Probably in 2008 we can reach the top; it may be more than 50 million tonnes."

**Heydar Aliyev:** "Are you including here the condensate archived from "Shahdeniz" field?"

**David Woodward:** "Yes, we are including the condensate from "Shahdeniz". But only the condensate produced in the frame of the first period of "Shahdeniz". In the "following periods, of course the general amount of condensate will increase.

We expect that, in the first period of investigation of "Shahdeniz" beginning from the end of 2004 the production of the gas will allow for the export. That is, the first export of gas will begin from the end of 2004. In the frame of the first period we expect that, eight billion cubic metres of gas will be produced in a year and we will reach this figure in 2007.

"Mr. President, in the next slide we have tried to show the works done till now concerning "Azeri-Gunashli-Chirag" project, the profit got directly until now of Azerbaijan. As it is seen, the profits of Azerbaijan until now was the grants, the profits coming from agreements signed with Azerbaijan companies, the wages given to the Azeri employers and the profit from "Chirag" field. Azerbaijan have already got 1 billion 240 million dollars of profit until now.

**Heydar Aliyev:** "Is this the profit Azerbaijan will get?"

**David Woodward:** "Yes, Mr. President. This figure is a direct profit that Azerbaijan will get. Besides we have put 1 billion 800 million dollars of investments through the projects signed with the foreign companies and their branches in Azerbaijan."

**Heydar Aliyev:** "No, I am not agreeing with you here. Because, 360 million dollars of grant, it is clear. It is not a direct profit that Azerbaijan has got. The Azeri employees of "BP" got 108 million dollars of wage. It is not a profit Azerbaijan gets. You gave wages to your employees and it is known that, the wages you give to the workers you have brought from your country. It is your own business.

"If you pay wages to the people working in Azerbaijan 108 million dollars it is not the profit that reaches Azerbaijan. You can say that, if it was not, they could not work and get such a wage. I understand it. That is why for which reasons we have signed agreements with you and you get your profit and the workers, who have tried and earned it. I consider the profit, which comes to the state from this oil. I am not agreeing with you.

"Then, you write here that, the value of the contracts signed for the goods and services with the joint ventures and companies of Azerbaijan is 525 million dollars. The value is not mean that the profit have been got from this contracts. Second, you again do less work with Azerbaijan companies. You draw companies from Western countries to the works you do. Am I right?"

**All Asadov (the assistant of the President):** "Mr. President, yes, you are right."

**Heydar Aliyev:** "That is why, when you involve them as you pay for their
works that do, so Azerbaijan companies when you involve them. For example, you have reconstructed the "Istiglal" mechanism. Is it so? Right?"

David Woodward: "Yes."

Heydar Aliyev: "I know that the cost of it was around 200 million dollars. Is it true?

David Woodward: Yes, it is true."

Heydar Aliyev: "10 million of it was given to our shipbuilding factory for their works done. But the remaining was given to other companies, or to the people worked with you. If the shipbuilding factory has done your order you have played 10 million dollars to it, it is his salary. It is not a profit given to Azerbaijan. Then, the profit carbohydrate of Azerbaijan (initial "Chirag" oil) 246 million. What does it mean?"

Natiq Aliyev (the president of AIOC): "Mr. President, it is a profit got from oil. The profit is given to the oil Fund."

Heydar Aliyev: "The Oil Fund. So my dear friend, our cash profit is only 360 million dollars of grant, and 246 million dollars of profit got from oil. I am not agree with you that Azerbaijan has got 1 billion 240 million dollars of profit. But the assessment of it must be fulfilled correctly.

"You bring engineers or other experts from your country England, America, so and engage them here. It is not mean that, though you pay 2-3 times much money to them than to the workers from Azerbaijan, do you give a profit the Great Britain or America’s it so?

"I don't object to that, you pay wages to all people that try together with you, implement this projects, or for example to the men working in your staff. Do you pay for nothing? This man works as interpreter from morning till night for you, and you pay him salary. Or, other persons working in your staff - one sits at the computer, another in other place and you pay him salary. And so to your personnel came from abroad.

"I don't deny that, it is profit of Azerbaijan people, as well as some of the companies of Azerbaijan due to their works here. If this consortium was not existed, it is natural that, this profit was not also. I tell you, when we sign an agreement with you or with other companies we consider everything.

"We consider that, you will come here and live here, you will pay salaries. We consider that, you will come here and do different works. For instance, if you were not come here, the most of oil-workers of Azerbaijan-now you see that, how good experts we have - were out of engagement. When we signed the agreement with you and other companies we considered it too.

"The people have worked here, and have got their wages. They have got 108 dollars and improved their material position. Other things also happened. Or our companies also have worked. They not only used their techniques and also their mind, physical labor and got their wages. It is a natural thing; I don't want to say that you want to cheat us about it. We must not be cheated. You must know that it is very difficult. Your experience is much, but our heads are also working a lit-
tie. I don't object to this. But you must write figures which are correct. Oil-workers, am I right or not?"

Natiq Aliyev: "Mr. President, you are right."

Heydar Aliyev: "Then why did you let them write this?"

Natiq Aliyev: "It's their report."

Heydar Aliyev: "It is their reports and you don't let it be so."

Natiq Aliyev: "They pay taxes. That is, the taxes hold from the wages of Azeri employers. They take it into consideration."

Heydar Aliyev: "He has to pay the tax. Well, he here and pays the tax, if he goes and workers in America, he has to pay the tax two-fold. The tax is a natural thing. Am I right?"

David Woodward: Yes, in some of the western countries the tax is very high. Mr. President, you are right. We just only wanted to represent here that how much profit have got generally, your government, Azerbaijan people and the companies of your country."

Heydar Aliyev: "For the works of Azerbaijan people and Azerbaijan companies. But Azerbaijan as being owner of this oil and participant of the consortium must get his profit. And that profit is what I have said. You know, there is a second of it. What people will demand from us then? You have got 1 billion 240 million dollars of profit. Where is it? But we have announced to the people that oil is fund.

"The grants we have got before the amount of 260 million dollars didn't go to the fund. It is known that they have gone to the money recourses of our State Bank. After the establishment of oil fund not only the grants coming from you, but also others went to the Oil Fund. These 246 million dollars is pure money gone to Oil Fund. That is why you separate it a little.

"I again tell you, I am now standing before you see how many cameras are here-tomorrow they can tell me that I was not right, 1 billion 240 million dollars were given, but you say that, there is such amount of money in the Oil Fund. I change it to you, to the state Oil Company and also to our new ministry. Work with them about it. You know, you must work together. It is not easy to write what they want. We work together. It is our joint work. That is why we must be agreed."

David Woodward: "Mr. President, in the next slide we have tried to forecast the future profits. I again want to point out that the wages of Azerbaijan citizens and the profit got from agreements signed with the Azerbaijan companies are not included here. This is a sheer profit that Azerbaijan will get. Here will be included profit oil, grants and taxes."

Heydar Aliyev: "Is it pure profit?"

Natiq Aliyev: "Yes it is a profit coming from oil trading."

Heydar Aliyev: "Very good. Everything is clear."

David Woodward: "The amount of the profit got from oil of Azerbaijan is currently about 150 million dollars. We expect this amount will continue
untill 2004, of course, if the oil prices will stay at the current level."

Heydar Aliyev: "Then?"

David Woodward: "It will continue until 2004. Beginning from the 2005 in the first period of full-scale exploration of "Azeri" and "Chirag" fields we will get a production, and also the oil will be produced from "Shahdeniz" field. Of course, then the profit we will get from the oil of Azerbaijan will increase. Beginning from the 2006 we will get more than 1 billion oil resources."

Heydar Aliyev: "1 billion of pure profit?"

David Woodward: "Yes. The profit will get from output oil will increase gradually, and will be the significant part of national profit of Azerbaijan. As it is seen from timetable, in 2011 the profit taken from output oil will be around five billion dollars."

Heydar Aliyev: Only from these two projects, from "Azeri", "Chirag", "Gunashli" and "Shahdeniz"?

David Woodward: "Yes Mr. President, we should note that, this only the figures concerning the production achieved in the first period of exploration of "Shahdeniz" field. I couldn't include the figures of the profit that will be getting from the next periods of exploration of "Shahdeniz" field."

Heydar Aliyev: "Yes, have you got any words about it? I see this timetable. These are the figures concerning the gas production in the "Shahdeniz" field. You have considered top product maximum 8 billion cubic metres of gas here. But you have informed us; there is 1 zillion cubic metre gas in the "Shahdeniz" field."

David Woodward: "Yes."

Heydar Aliyev: "So, if there one million cubic metres of gas we can sell not eight million cubic metres in a year, probably more than five times. Because, how much time will be needed to produce one trillion cubic metres of gas? Probably 50 to 60 years. I know because I have interested with this issue. You want to find out the market issue here.

"Appropriate works will be done about market issue too. The first it is our initial agreement with the Turkey. That is why if we have no opportunity to give gas for Turkey, we couldn't say that we can give you 15 billion cubic metres of gas. For instance, you know that Turkmenistan have signed an agreement with Turkey and had to give to Turkey 15 billion cubic metres of gas a year. But, why this agreement was signed? Because the gas fields are already ready, just only the gas pipeline should be agreed. We can't now negotiate about 10-15-billion cubic metres of gas. I know that you consider it according existed capabilities.

"But we must also work; you also work in order to find a market for selling this gas. Because, they have much requirements for natural gas. Now there are also some groups wanting to by a gas one from there other from, here. You know it very well. If Turkey wants to buy a gas going on the pipeline to be constructed from Caspian Sea 15 billion cubic metres a year, if we will have such amount we will sell it to Turkey. Not only Turkey, but Iran also needs our natural gas.

"We cant avoid it. Turkey can't buy more than this, and gases are being there
and we can't use our resources - it is impossible. That is why, I consider your forecasting correct, don't object to it. But I charge our Ministry Chamber and Ministry of Oil Company that they seriously work about it. We must define the market for 4-5 year before from now.

"If the market is defined, here also certain works will be done. I understand you. If they will not be defined. You can't sell the and get profit from that investment. I see it, that is why I tell you our responsibilities and tell you that, we will do all such way that as we fined the market you can give the gas there. Am I right?"

David Woodward: "Mr. President, of course you say everything right. And I must tell that, you understand our business very well."

Heydar Aliyev: "I also will be a businessman here as you are."

David Woodward: "At last in the last slide we again want to emphasise that the projects will be implemented in few years in Azerbaijan are the worldwide, huge, broad projects that we have ever done. Even if we compare, I must say that, with the projects that 'BP' implementing in other countries - in Mexico bay, in Angola, and in other countries the work that will be done Azerbaijan will be the biggest project for its scope and also money that we will be expended.

"Because, as I have already said we will give sanctions to put around 8-9 billion dollars of investment. The weight of the steel and other materials to be used for this works concerning these projects will be around 1.5 million tonnes. If we consumed steel, metal and other materials used for initial oil project to be produced in "Chirag" field, we can say that, here we expect to waste around 10 times more material.

"Simply, I want to say for compare that, everyday 400 cargoes will move to Azerbaijan and Georgia. These cars will take the materials to our fields for the construction of pipeline. Everyday, additional 8 trains in the railways of Azerbaijan and Georgia will take the material to us from the Poti port in the Black Sea. I must say that for works 10 ships and three cargos, the ships will carry a loaded everyday with the Volga-Don channel. In all this construction works of course, we will use the work power of about 8,500 Azerbaijani and persons additionally. We will employ other workers, Azeri civilians too. They will be involved to the works in service areas and other places.

"Very important, significant steps, difficult positions expect us ahead. Mr. President, we are sure that we can manage the work before us very successfully only with your support and leadership, in the result of close cooperation with Azerbaijan government.

Mr. President, it was the last issues of our presentation for today that we wanted to show you.

"If you have questions we answer them with great pleasure in details. Then we want to discuss with you another issue."

Heydar Aliyev: "Thank you. Has anyone a question? No. I gave my questions. Generally, the works you have done and the works you will do in future
about which you gave the representation of materials, information occupies a special
place in the history of our cooperation with you.

"The first, it confirms once more that, as owner of the great experience, as a great
oil company of the world you are right in choosing the Caspian Sea, Azerbaijan.
Secondly, it confirms that, the defined oil strategy of Azerbaijan beginning from
1993-1994 gives its positive results. I never doubted that, it would be so. If I doubted, I
didn't go to the signing of the first contract in September 1994.

"But you know that how many troubles brought to Azerbaijan and also to me that
first contract. After signing this contract very brute criminals were escaped from our
jails. Then the state revolt was attempted. The two of our statesmen were killed in the
result of the terror. At last, all of these were done in order to overthrow me.

"Now we can't say that everybody in the world likes this project. Some of them, for
instance, want to prevent the implementation of the Baku-Ceyhan project and other
projects. You know, some of them in order to separate you and other companies from
Azerbaijan write in the western media, as well as in USA and even in a Great Britain, in
some other countries of Europe that the forecasting given about Azerbaijan, Caspian Sea
didn't prove itself, or there are no so many hydrocarbon resources in the Caspian Sea. So,
they try to separate the companies from Azerbaijan.

"I want to say that, the fighting still going on. We don't want to fight any more. We
prove our rightness with our work. Today, this representation is, a practical prove of it.
For instance, I have now heard from you with great pleasure that, "BP" have never
expended the amount of 8-9 billion dollars which he wants to do here, in any place of the
world.

"BP" is a very experienced company. You would never waste a dollar for nothing.
If I say, give me a dollar, I can't get it from you. That is why; "BP" knows very well that,
what is where. In the past years the works of your representatives proved to you also that,
we have oil and gas here. There is, a market for selling from here.

"It is natural that, if we couldn't establish the existed social-political stability in
Azerbaijan, the situation that was in 1993, even the situation in 1995 you couldn't work
here. You could see that, it is impossible to go out and to live peacefully here. You could
see the people engaging with the pickets and terror. And that is why you might go back.

"But we established this situation, stability. Now such a situation was established
in Azerbaijan that every company coming from foreign country could feel him at home.
Even may be better than that.

"If we look from the point of view of climate, the climate of Baku better than that
of London and Edinburgh. Is it so? That is why working here very profitable from every
point. It is a historical event for us and for you also to have such results of our joint work.
Now Azerbaijan if will get 500 million dollars of prof
it from this contract, after two to three years and according to your words our country will get five to six billion dollars just only from this contact in the 2011. So, then what we do for the improvement of the wellfare of Azerbaijan nation, for the development of our country in order to make Azerbaijan a prosperous, developing country.

"I have always said that, our oil strategy, the all signed contracts are for the future of Azerbaijan. I have tried here much. But I think that, results of all it, will see not only I. Because, a man has a limit of his life. But it doesn't bore me. Because I do it not for myself. I do it for my people, nation, youth and for Azerbaijan. And the future is seen from here.

"It is natural that, you are the leading companies from all that came to Azerbaijan. You take activities in other places, besides these fields. Is it so? For instance, you are working in the "Inam" field and I feel that, you expect good forecasting from there too. You work in other places too. But, besides you there are other companies. "Chevron", "Exxon", "Mobil" and so on. Your example will make them to move. They will try not to lag behind you. Because you have bought the "AMOCO" company of the USA. If they lag behind, you will buy them too.

"All of these works are truly very profit bringing works for you, i.e. for the Europe counties, for the USA being in a friendly terms for developing the economy of Azerbaijan ,for the well-fare of our people, for the living as independent state of our country. That is why, there are much envy to us now. But if the issue was only envy, I will not be uneasy. Who envies, let him do it. But there is not only envy. There is a word in Azeri; there is who wants "to give a step". There is who wants to make a direct conspiracy to us. But we have now such a state, which stand very strongly.

"I thank to all of you. I appreciate your works very highly. This representation is now a special historical event for Azerbaijan society too. This is an event establishing great hopes for future of the people of our country. It is a great event for the strengthening of the friendship between Azerbaijan and the Great Britain. We wish luck to you - you are three, do you see the people sitting here, in this work.

"It was said that, the president of "BP" Mr. John Browne wants to come to Baku on 22nd June. If he makes this decision, tell him that, he may come to Azerbaijan I will meet him with great pleasure. We can sit with him remembering the day of signing the contract in the September of 1994 and consider the current results.

"Thank you very much. I wish you luck in this works and future activities."

David Woodward: "Thank you very much, Mr. President."

Heydar Aliyev: "Good-bye."

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The charity activities of "bp"

"bp" are not limiting its activity only in oil sector in our country, "bp" taking active part in the cultural-social life of the republic carrying large sponsoring activity.

Coming to our country in 1992, the director of oil investigation and production office in the region of the Caspian sea of "BP-Statoil" Alliance, Peter Wells, during his conversation with a correspondent from "Azerinform" expressed his intention to set up relations with the "Children Rescue Fund" charity, organising humanitarian support to the refugee children of Nagorno-Karabakh.

In 1993 the "BP-Statoil" Alliance organised musical competition by name "Review of the young talents" in Baku and organised the participation of its winners in the "INC" dancing ensemble in the Youth’s festival held in Aberdeen, Great Britain.

In 1993, when the Azerbaijan art figures were in Aberdeen in Scotland, taking part in the marriages ceremony held there, a Scottish bride and bridegroom danced to the music of "vagzal", our dancer gave their blessing the Azerbaijan way to the Scottish spouse and the cheeky Azerbaijani composer Tofiq Guliyev tied a red ribbon round the waist of a blonde Scottish beauty.

In November 1993, the state representative on the national policy of the Azerbaijani Republic, Hidayet Orujov, accepted the president of the "British Petroleum Azerbaijan" Company Terry Adams. At the meeting the countries and also the issue supporting refugees were discussed. Mr. Adams gave information about activities held with the line of company concerning the translation and edition of the classical Azerbaijan poetry into English.

According to the official reply of a member of the Azerbaijan state Ecology and Nature Control Committee, the "Know How Fund"of the British Government took active part in a financing of the "About the Environment" edict worked out in our country.

On 24th January 1995, the opening ceremony of the rooms by name Nasreddin Tusi reconstructed by "BP-Statoil" was held in the building of head staff of the Azerbaijani Republic's Science Academy. The special envoy of the Queen of Great Britain, chairman of the Director's Council Mr. Ashburton took part and delivered a speech in ceremony.

He said: "A happy event is this, the ceremony of opening doors occasioned to the 50th anniversary. During this years, the achievements of Azerbaijan scientists were not less giving the name that, there was a great services of this famous scientist lived in century. I hope that the existed cooperation between and as our company will be profitable for each two part."

The novel "Spider" by the English writer Thomas Wolf, with the sponsoring of the Azerbaijan International Operating Company, was translated and edited by the literary translation centre in Baku.

On 26th January 1996, a concert was held, devoted to the 70th birthday and
45th anniversary of the activity of professional musician, Professor Farid Guliev in the Academic Opera And Ballet Musical Academy. The students Farida Salimova and Zumrud Aliyeva played the musical compositions of George Gershwin and Sergey Romanov.

On 6th March 1996, AIOC together with SOCAR gave a concert entitled "Opera jazz" in the Academic Opera and Ballet Theatre in the name of M. F. Akhundov. The plays with the escort of three Jazz orchestra of the young vocalist and Jazz player Aziz Mustafazade took part in the concert.

On 28th May 1996, a young and talented artists' concert was held with the sponsoring of AIOC in the building of German church in Baku. The special Jury staff selected the young players being from Baku musical school. The musical compositions played with the escort of State Symphonic Orchestra by name Gara Garayev by the eight years old violinist educated in London's musical school Nazrin Rashidova and her mother pianist Sadagat Mamedova were hotly welcomed by the audience.

The AIOC implemented the programme of "Young musician of the Year" in which took part the organic piano and stringed musical tool players. By this purpose on 27th April 1996 the competition was hold for the first organic, in May for piano, in November for stringed musical tools in German church.

On 20th September 1996, the National Mugam competition was held with the sponsoring of AIOC in Caravansaray in Baku's Old City.

From 1996, with sponsoring of AIOC, the programme of "High quality in education" was implemented and the rewards of school, school-teacher, pupil of a year achieved by this programme of the highest education standards were designated and rewarded.

In 1996, AIOC represented the scholarships to the most talented students of the Azerbaijan "State oil" company.

On 2nd December 1997, AIOC supplied with new books, computers, printers and air-conditioners to the library of the "Gipromoroilgas" Institute of SOCAR.

AIOC is the sponsor of the documental film "Fiery land" by author Nazim Rza Israiloglu.

In 1999, the ceremony of the representation of the book "Azerbaijan Carpet" edited with the sponsoring of "BP-AMOCO" in the Grand Hotel Europe.

In 1999 the third Mugham festival was held by the sponsoring of "BP- AMOCO" where took part nearly 400 Mugham and national music players.

With the sponsoring "BP-AMOCO" in 1999, 12 young chess plays were sent to Greece to the Young Chess Players Championship of Europe. Teymur Rejebov and Nijat Mamedov won gold medals, and Vugar Khasimov won silver medal.

In 1999, with the sponsoring of "BP-AMOCO" 20,000 "ABC" books were edited for 900 refugee school children. Besides the pupils of the fifth to ninth forms were provided with education materials and books.

In 1999, with the sponsoring of AIOC and "BP-AMOCO", the third scientif
ic investigation competition was held. "BP-AMOCO" also opened computer courses for the Baku Chemical and Biology Library.

In June 2000, with the sponsoring of AIOC, the building of a Karabakh library was opened in the tent camps of Galagain in Sabirabad region.

In 2000, "BP-AMOCO" gave as a present 300 copies of books edited in eight names to the scientific library of the university with 80-th anniversary day of construction of Baku State University.

"BP-AMOCO", together with BSU, Azerbaijan SA and the Ministry of Education organised a competition between young scientists and students taking investigations on the oil subject traditionally every year.

"BP", together with other companies, is the sponsor of the social reward "Humay" represented by "Bakili" cultural organisation.

"BP-AMOCO" in March of 2000 sponsored the jazz concert devoted to the jazz musician, pianist and composer Rafiq Babayev.

Since 1992, "BP" has played leading role in the implementation of some charity projects. And we pointed out only some part of it. The cultural-social activity of "BP-AMOCO" and its operator AIOC are always in our point of view.

Bon 27th February 2001, a meeting was held with the leaders of oil companies entering to the Azerbaijan International Operating Company with the initiative of the ministry of Education Misir Mardanov. The Ministry of the Education Misir Mardanov handed David Woodward an award for the contributions made by the AIOC to the development of Education in Azerbaijan.

Mr. Woodward expressed his thanks for the expensive reward. He said; "I accept this reward in the name of all our investors and express my thanks to you for appreciating my worth so highly. Education is a key of the development and our company very proud of works he makes with the Ministry of education in order to help to the development of education in Azerbaijan."

**Ramco**

Ramco, which entered Azerbaijan in 1989, was the first western oil company attracted by Azeri oil since 1920. Steve Remp, Ramco's Chairman and Chief Executive, is considered to be the first western oilman who got interested in Azeri oil.

Speaking about Ramco's history it is worthy to note that Steve Remp, Chairman and Chief Executive of the company, is a US citizen. He has a strong family background in the oil industry. In his interview to the Sunday Herald, Steve Remp told that his forefather had started oil business in Western Virginia in 1905.

Steve Ramp's engagement in the oil business was greatly influenced by these traditions. Steve Remp founded Ramco in 1977, with Stewart Cumming as an oil services business focused on North Sea business.

Speaking about the new company based in Britain Steve Remp said: "I came to Aberdeen, Scotland, on the shore of the North Sea, the location of Ramco's
head office, in the early 70s, when Steve Remp, Ramco's Chairman and Chief Executive
the North Sea oil industry was starting there.

"In 1977, with British shareholders, I founded Ramco as an oil services business
and the company entered London market in 1984," he said.

Regarding company's activity, it is worthy to note that Sir Malcolm Rifkind,
formerly UK Foreign Secretary, who has often visited Azerbaijan and considered the
friend of our country, is Honorary Chairman and member of the Board of Directors. He
brings to the company extensive knowledge and high level contacts throughout central
and eastern Europe and central Asia, plus an unrivalled understanding of the regional
political dynamics affecting Ramco's areas of interest.

The main part of the company's activity is oil exploration and production. Ramco is
mainly focused on the Caspian region, central and eastern Europe.

In 1989, at a time when Ramco got interested in Azeri oil, other western oil
companies were concentrating their efforts on western Siberia, believing that the
resources in Azerbaijan had been depleted. What Steve Remp decided through
discussions with local engineers and Azeri government officials was that there were vast
resources yet to be developed in the Caspian Sea.

In 1990, Azerbaijan government asked Steve Remp to assist them in attracting
western partners. Also, in 1990, Ramco made proposals to the Azerbaijan government
regarding production enhancement for the Gunashli field.

In 1991, Ramco approached British Petroleum-Statoil Alliance interested in the
data presented to them and agreed to Ramco becoming a partner in their bid for the Azeri
field. Competitive bids were solicited and Amoco and McDermott International Inc.
were named as the preferred bidders, and, at the request of the Azerbaijan government,
were asked to form a consortium that included BP, Statoil, Unlocal and Ramco. This
consortium began negotiations for the development of the Azeri field.

In 1992, Ramco was invited to proceed with a feasibility study on the development
of the deep water portion of the Gunashli field. Ramco entered into an agreement with
Pennzoil, whereby Pennzoil agreed to fund the feasibility study and the two companies
completed the study and commenced negotiations on the whole field.

In June 1993, the State oil Company of the Azerbaijan Republic (SOCAR) utilized
the Azeri and Gunashli fields with the Chirag field to form the ACG project, in which
Pennzoil and Ramco received a Joint interest. Negotiations between SOCAR and the
newly formed consortium of western companies followed.

The unstable political situation and absence of effective oil industry strategy
influenced on the cooperation with western oil companies and impeded beneficial
consequences of this cooperation.

In 1994, when Heydar Aliyev became the president of the Azerbaijan Republic,
despite all obstacles, an effective oil strategy began to be implemented.

**The Contract of the Century.** In September 1994, the Contract of the
Century was signed - the Production Sharing agreement for the Azeri, Chirag, Gunashli and deep water Gunashli fields. According to the contract Ramco had 2.0825% interest with Pennzoil carrying Ramco's costs relating to the ACG project.

Ramco, who took part in establishment of AIOC operating Azeri, Gunashli, Chirag fields in Azerbaijan, on 22 December 2000 sold its carried interest in the ACG to Amerada Hess for $150 million.

**Murdakhanli Field.** The Zardab/Murdakhanli/Jafarli Rehabilitation and Exploration PSA, Interest 50% Ramco, 50% SOCAR, (Operator Ramco)

On 21st July, 1998 during the official visit of the Azerbaijani President Heydar Aliyev to the UK, SOCAR and the British company Ramco signed a Production Sharing Agreement. UK Prime Minister, the Right Honourable Tony Blair, and the President of the Azerbaijani Republic, Heydar Aliyev, attended the ceremony.

Murdakhanli is the largest onshore field in Azerbaijan. The 565 square kilometer Murdakhanli block consists of Murdakhanli, Jafarli, Zardab onshore fields. Murdakhanli in located 240 km south of Baku. It has been utilised since 1971.

Jafarli is located 18 km north of Imishli. It was explored in 1974. Zardab is situated 273 km south west of Baku. It has been operated since 1981. The Murdakhanli Operating Company, established by Operator Ramco and SOCAR, acts as the operating company for the field.

Ramco also holds exclusive rights over Shallow Water Gunashli Field. Shallow Water Gunashli Field is operated by SOCAR, and has been in production since 1981. Shallow Water Gunashli field lies to the north west of, and is next to the Azeri, Chirag and deep water Gunashli field, being developed by AIOC.

The field has, to date, produced in excess of 500 million barrels of oil, and is currently producing approximately 110,000 barrels per day. In 1990 Ramco presented its proposals on Shallow Water Gunashli. Under an agreement signed among SOCAR, Pennzoil and Ramco in 1994, Ramco retains the right to participate in any development of the Gunashli field in excess of $50 million, involving a partner in addition to SOCAR. TotalFinaElf is Ramco's partner in this project.

As a shareholder of the AIOC, Ramco took part in all charity actions held by consortium. Ramco also participated in charity actions focused on development of health, sport, social life in Azerbaijan.

In September 1995, the company made a donation of $750 to pay for a specialist's expenses incurred by INSAN (charity for children with talassemia).

In October 1998, the company made a donation of $1,500 to renovate the Old City of Baku water supply.

In October 1998, the company donated $5,000 to support the Karate
Championship.

Organised by UNICEF, the company donated $1000 for the establishment of a courier service to provide transportation of parcels within Baku, staffed by orphans and the physically handicapped.

Lenkoran Flood Damage: The company made a donation of $50,000 to assist the victims of local flooding.

From 1991 to 2000, Ramco sponsored the medical treatment of Azeri children for treatment in UK.

In 1999, Ramco sponsored the eye operation and subsequent medical treatment in Cologne for Karabakh war hero.

In cooperation with UK and British Government Ramco financed the construction of a 25-bed hospital in Gobustan district to replace the hospital in the village of Khilmilli which was destroyed as a result of floods and the earthquake in July 1997.

The hospital has facilities for out-patients and in-patients, gynaecology, and dentistry. The hospital in now operating with five doctors including physicians and a pediatrician. Inauguration if the hospital which took place on 8 May 1999 and was attended by Deputy Prime Minister Mr. Abid Sharifov, British Ambassador Mr. Roger Thomas, UN Resident Coordinator Mr. Ercan Murat, Minister of Health Mr. Ali Insanov and a Ramco representative. The company donated $50,000 to the project.

The initial provision of start-up office space for United Aid for Azerbaijan, and assistance with charity's launch in Azerbaijan. In addition financing United Aid for Azerbaijan charity fund the project has involved rebuilding of Orphanage H6 for children suffering from polio, Shuvelan District of Baku. To support UAFA, in March 2000, Ramco bought for $2,000 tickets for its fundraising event and also provided organisational support.

Ramco sponsors and supports the Anglo-Azeri Society which has as one of its three objectives: "to assist chosen charitable causes". In June 2000, the company bought $4500 of tickets and donated a prize for society's Charity Ball.

It is worthy to say that, between January 1998 and December 2000, Ramco sponsored the POLICY PARTNERSHIP PROGRAMME held in the UK and aimed at high level presentation of political, strategic, economic and humanitarian interests of Azerbaijan.

In 1998, the first year of the Policy Partnership Initiative, Ramco assisted and supported Azerbaijani Embassy in the UK during Official State Visit of President Heydar Aliyev to the UK by coordinating media activities and assisting with organisation of some of the events on the President's schedule.

In 1999, under the Policy Partnership Initiative, in May 1999, on the eve of the fifth anniversary of the Azerbaijan-Armenia ceasefire, a number of significant activities were held in cooperation with the Azerbaijani Embassy in the UK. The most important of them was that Viscount Waverley secured a debate in the House of Lords on Nagorno-Karabakh. The debate was significant because this
was the first time that anyone outside Baroness Cox's pro-Armenian Christian Solidarity International had initiated a debate on this subject.

On 12th May 1999, the Policy Partnership and the Azerbaijani Embassy in the UK organised a reception in the Jubilee Room of the House of Commons to mark the fifth anniversary of the ceasefire between Azerbaijan and Armenia in Nagorno-Karabakh. Some 60 guests attended and the British Azerbaijan All-Party Group (BAAPG) recruited a new member.

In addition, the reception produced a preliminary agreement between the Policy Partnership and the Director of the Royal United Services Institute (RUSI) to explore the idea of staging a conference on Azerbaijan at RUSI in December 1999. The Policy Partnership arranged the visit of six members of the BAAPG to Baku from 11th to 13th August 1999. The purpose of the visit was to obtain a much greater profile of Azerbaijan.

On 7th December 1999, in cooperation with the Azerbaijani Embassy in the UK, the Royal United Services Institute hosted a one-day conference on Azerbaijan entitled "Azerbaijan into the 21st Century", sponsored by Ramco.

On 18th January 2000, Ramco hosted a high-level one-day symposium entitled "Attracting Western Investment to Azerbaijan". The symposium was attended by leading figures from Azerbaijan's political, economic and industrial establishment and chaired by Ramco non-executive director, and former UK Foreign Secretary and Defence Secretary, the Right Honourable Sir Malcolm Rifkind.

Commenting on the significance of the symposium, Steve Remp, Chairman and Chief Executive of Ramco said: "This symposium is unique within Azerbaijan. The high level of the speakers, and the tailoring of the symposium towards Azerbaijan alone, and not western companies and audiences make it an important meeting of minds and sharing of knowledge. We are committed to assisting Azerbaijan in achieving its present and future business and foreign policy goals."

The symposium was sanctioned by Heydar Aliyev, the President of Azerbaijan in his meeting with Sir Malcolm Rifkind, member of the Board of Directors of Ramco, formerly UK Foreign Secretary and Steve Remp, Chairman and Chief Executive. During the meeting Sir Malcolm Rifkind also spoke about conference of Azerbaijan held in London by Ramco.

Commenting on the Ramco's great work in this field, Heydar Aliyev, the President of the Azerbaijani Republic said: "We greatly appreciate the work you have done in order to give Azerbaijan a much greater and objective profile in the United Kingdom. That is why, Sir Rifkind, I am very satisfied with the information you gave us and I believe, you will continue this work in future.

"I would like to note that we cooperate with many companies and even with the biggest companies of the world. But the greatest work in this field is done by Ramco. I greatly appreciate this. Those giants don't take much care of this kind of work. And your work on this field speaks about your friendly and sincere attitude to Azerbaijan".
In the meeting Steve Remp, Chief executive of Ramco, presented Heydar Aliyev, the President of the Azerbaijani Republic, a high level book on Azerbaijan published in London, in English, sponsored by Ramco. Commenting on the book Steve Remp said:

"Mr. President, this book reflects all aspects of Azerbaijan's life and is issued in 40,000 copies. The book gives information on today's social and political life of the country and recent achievements of Azerbaijan gained under your leadership. The book includes information on the hard conditions in which refugees and IDP's live, occupation of 20 percent of Azerbaijan's territory by Armenia and is supplied with a map where occupied territories are shown."

It is worthy to note that since 1999 the Azerbaijani Embassy in the UK and the Policy Partnership prepared a project of publishing a book on Azerbaijan titled official or unofficial Azerbaijan.

The book was aimed to fill the information gap on Azerbaijan, i.e. to give the reader an opportunity of getting general information on Azerbaijan at the coffee table. The book was prepared in 1999, with the assistance of Azerbaijani Embassy in the UK, the Azerbaijan Academy of Sciences, President's office, being edited by Tamara Dragadze.

The book titled "Azerbaijan" was launched on 30th May 2000 at the Azerbaijani Embassy in the UK, at the reception on the Independent Day of the Azerbaijani Republic.

Ramco assisted with the performance of a well-known Azeri singer, Alim Qasimov, in May 2000 at the London Royal Festival Hall within the framework of the Policy Partnership.

Sir Malcolm Rifkind, the member of the Board of Directors of the company, formerly UK Foreign Secretary sent a special letter to Heydar Aliyev, the President of the Azerbaijani Republic, with regard to the accomplishment of Ramco Initiative Programme.

The letter said: "Though the Initiative within agreed programme is completed Ramco is aware of commitments taken upon and expects future effective cooperation with the Government of Azerbaijan."

Shell

Being famous as one of the biggest oil companies in world economics, the "Royal Dutch-Shell Group" or simply "Shell", a UK and Netherlands joint company has its own place in Azerbaijan.

In 1833, Marcus Samuel opened a small shop in London's East End and that became the starting point of Shell's history. The shop sold rare goods brought by seamen from all over the world and shells, the business was so profitable that Marcus Samuel arranged a regular delivery of these goods from the Far East and so in a short period a small business grew into a big import-export business.

After his death his sons Marcus and Sam continued their father's business and
in 1878 founded "Marcus Samuel and Company" in London and "Samuel Samuel and Company" in Japan. Being involved in business in the East, they provided the shortest route commercial transportation between ports. Finally, on 18th October 1897, as a result of extension of the business Marcus Samuel established "Shell Transport and Trading Company Ltd".

Further Shell had a participant room in the company and on 16th June 1890 "Royal Dutch Petroleum Company" was founded by a talented businessman Ayelko Yane Zilker, the initial full name of the company was "King Holland Company on exploitation of the oil fields in East Indies colonies of Holland". Ayelko Zilker in one of his trips to Sumatra, an East Indies colony, found some signs of oil, so a well was dug and in 1885 oil flow gushed forth.

In order to be competitive in oil business in 1896, Ayelko Zilker's company began construction of tankers, reservoir parks and created its distribution net. At that time Marcus Samuel and "Royal Dutch Petroleum" competed with "Standard Oil", an American giant.

On 19th January 1907, Marcus Samuel, the president of "Shell Transport and Trading", and Henry Deterding, the president of "Royal Dutch Petroleum", concluded an agreement on the merger of their interest and capitals, the individual features of the companies being preserved.

Today the companies included in the joint operation receive profit and successfully cooperate with more than 100 partners in over 130 countries of the world. The company has five main directions of its activity - exploration and production, oil products, oil chemistry, natural gas and electric power engineering and resources that can be restored. Each business direction is controlled by a Chief Executive who has unlimited liability.

Chief Executives are subordinate to the Committee of Directors where enter Chief Executives who are members of the Board of Directors of the two head companies of the joint operation. The head companies, "Shell Transport and Trading" and "Royal Dutch Petroleum" don't participate directly in production and business activity. The shares of these open joint-stock companies circulate in a number of stock-exchanges of the world. Head companies directly or indirectly possess shares of three holding companies and receive large amounts of dividends.

At the moment, the company deals with geological exploration, production, exploitation and processing of oil and natural gas fields, safe long-distance transportation by pipelines and tankers, marketing, realisation, of diverse oil products, preventing air-pollution, construction and exploitation of power stations, where natural gas is used as a fuel, service meeting consumer's demand, improvement of environmentally safe production and so on.

Service companies offer different services and consultations to the other companies of the joint operation and to relative companies (except "Shell Petroleum Inc." and its branches). Every operating company can utilise the experience and knowledge of service companies and also the experience of other oper
Shell companies have been formed in consequence of a quite independent over a hundred-year old successful business activity in different fields and adhere to the rules, liability and ethic norms reflected in "The Rules on General Principles of Business", which has been effective since 1976.

The history of cooperation of the company with our country is very interesting. Azerbaijan, known as a country of oil since ancient times, stepped on a new historic stage in oil industry in the second part of the 19th century.

In 1872, the state monopoly over oil industry was banned and it created all conditions for the dynamic development of the industry and also business activity of foreign companies and commercial structures.

In 1873, the number of companies acting in Baku was 12 and by the end of the century the number grew up to 140. In the course of the dynamic development of oil industry, in 1870-1880's oil production increased 10 times and by the end of the century it exceeded oil production in the USA, being 500 million barrels per day.

Fast development in oil industry caused development in the related fields, especially the construction of Baku-Batumi kerosene pipeline in 1879-1907 increased oil production a lot. Besides local entrepreneurs, in 1879, the Nobel Brothers' Company, in 1886, Banker's House in Paris belonging to the Rothschilds, French financial magnates dynasty, started there business in Baku.

This was the state of the business environment when Shell started to act in our country. In 1890, Marcus Samuel, the head of "Marcus Samuel and Company", having heard about popular Baku oil, came to Baku and for the first time initiated construction of tankers-oil transporting ships for the export of oil produced in the area. In consequence of the realisation of this idea, Marcus Samuel became competitor of "Standard Oil", which had a monopoly on the oil market.

The idea had to be implemented confidentially and it demanded large investment, that was a risk. Marcus Samuel risked signing contracts with oil producers belonging to the Rothschilds company in order to provide regular transportation of Baku kerosene from Batumi.

Finally, on 26th July 1892, the first Shell tanker, named Murex transported 4,000 tonnes of kerosene from Baku to Batumi port, and from there to Singapore and Bangkok via the Suez Canal. Up until 1895, 69 oil tankers passed through the Suez Canal and most of them belonged to Samuel brothers.

As mentioned above, in 1897, Marcus Samuel established "Shell Transport and Trading" company. Certainly, the profit company gained from Azerbaijan oil industry played significant part in creation of the company.

Shortly after Shell began its business activity in our country Royal Dutch Petroleum, a Dutch company, started its business and was engaged in large-scale oil business. After the merger of these companies "Royal Dutch-Shell" generally expanded its business activity in whole Caucasus region.
The company purchased an area near Grozny where there was much oil, got an option for the main part of the shares of "Ural-Caspian" oil company which possessed large potential areas in the Ural sector of the Caspian Sea since 1911, in 1912-1913 the company became the owner of the Rothschilds' business in Russia and also in Azerbaijan, i.e. oil fields in Balakhani, Bibi-Heybat, Ramana, Sabunchu and Baku kerosene plant.

Shell expanded its business in the region by establishing companies, increasing its participant share and strengthening the companies financially and technically. In 1913 Shell companies produced 175 million barrels of oil (over 48,000 barrels per day), it was a quarter of the oil produced in Russia.

The company expanded its business activity everywhere: in North America, Romania, Sarawak, Egypt, Mexico and the oil produced in the companies oil fields equaled 10 percent of the oil produced in the world. In that period Shell implemented the second investment programme which was of great significance and which continued in the World War 1. Application of more effective rotor drilling technology in Surakhani oil field in 1917, on the eve of October Revolution in Russia, can be a good example.

In consequence of October Revolution "Council of People's Commissars", a "toy" Bolshevik government acting only in Baku for a few months, adopted a decree on nationalisation of the oil industry that badly affected Shell's activity in our country, as well as the activity of other foreign companies.

But on 28th May 1918, the Azerbaijan Democratic Republic was established and the United Kingdom recognised it officially, so business relations on different fields were created. As the Azerbaijan Democratic Republic's government started its activity, it repealed the decree and restored the right of private property and activity of foreign companies. Further shell specialists started to work over new projects and plans. Among the projects the most significant are the application of new improved drilling technology and construction of a pipeline from Grozny to the Black Sea.

Unfortunately, on 28th April 1920, Soviet Russia occupied Azerbaijan and the Azerbaijan Democratic Republic's government, which held office for 23 months, ended in failure, consequently in the strict Bolshevik environment Shell
stopped its long-term activity on the development of oil fields and investment in the whole Caucasus region. A number of other foreign companies did the same.

Presently, successful business activity of "Royal Dutch - Shell Group" has specific role in relations of the Azerbaijani Republic, which restored its independence, and the UK. After a long pause, on 1st May 1993 a representative office of the company was opened in Baku. From the viewpoint of development of economic relations between the two countries the work done by Shell, one of the most influential English oil companies, is noteworthy.

Seven years ago, for the first time in Azerbaijan history an international oil contract known as "the Contract of the Century" was signed and Heydar Aliyev, the President of the Azerbaijani Republic created favourable environment for the foreign oil companies, and Shell profited by these and expanded its activity in the country.

After "the Contract of the Century" was signed and ratified, on 13th January 1995, a delegation headed by Mark Moody Stew, the vice-president of the Board of Directors of the company, was received by the head of the state in Presidential Palace in Baku.

In the first meeting, in the environment of mutual understanding and sincerity, Heydar Aliyev, the President of the Azerbaijani Republic mentioned that the company began its activity at the end of the 19th century and as for the present time it is pretty late for cooperation with our country. Mark Moody Stew, in his turn, expressed his wish for the company to act within the framework of "The Contract of the Century".

As a continuation of this first high-level meeting, on 4th February 1995, a new delegation headed by Dr Phil Watts was received by the president Heydar Aliyev. In the meeting Mr. Watts spoke about his wish of participation in the joint development of Azeri, Chirag and deep water portion of Gunashli fields in the Azerbaijan sector of the Caspian Sea within "The Contract of the Century" and discussed perspectives of cooperation on the construction of pipeline in future.

In the course of the official visit to the USA (in 23rd July - 7th August 1997) the President of the Azerbaijani Republic Heydar Aliyev had a meeting held in the environment of mutual understanding and sincerity with Phil Watts, Chief Executive on exploration and production, in the residence placed at his disposal in Houston on 3rd August.

In this first meeting Mr. Watts stressed their extensive experience on the development of offshore oil fields, made proposals on the possibilities of establishing long-term relations with Azerbaijan and making investments and said that the company was ready to carry out the projects on the construction of oil and gas pipelines.

The head of the state, in his turn, noticed that the establishment of tight relations between our country and the company is mutually beneficial and he highly appreciated proposals on creating new places of work, contributing to the development of culture and education, as well as the cooperation on the oil sector.
Within the frame of the above-mentioned official visit, on 1st August 1997, in the meeting, held in Franklin Roosevelt room of the White House in Washington D.C., attended by the President Heydar Aliyev and Albert Gore the vice-president of the USA, a number of contracts, as well as an agreement with the USA oil company "AMOCO" on the joint exploration, development and production sharing agreement for the "Inam" perspective structure were signed.

At present, implementing a project in cooperation with "BP-Amoco" (25% share) and SOCAR (50% share) where it holds 25% share. Shell has a status of an international company acting in five Caspian states. According to the information given on 3rd January 2001 on the financial resources received by the State Oil Fund of the Azerbaijani Republic a $2 million amount of bonus was paid by Shell in conformity with the agreement.

On 6th October 1997 a delegation, officially invited to our country by the President of Azerbaijan, headed by Phil Watts, Shell's Chief Executive on exploration and production was received by the President Heydar Aliyev. The delegation included Togrul Tusun, Shell's vice-president for the CIS and Europe, Ian Lut Turle, the head of the representative office of the company in Azerbaijan, Nikolas van Damme, Extraordinary and Plenipotentiary Ambassador of the Netherlands accredited in Ankara and Baku.

Mr. Watts especially stressed his desire to play an important part in development of oil and gas industries in Azerbaijan, Natiq Aliyev, the president of SOCAR, who also attended the meeting spoke about Shell's interest in development of "Kurdashi" block in the Azerbaijan sector of the Caspian Sea and in cooperation in other fields.

According to Rita SITA agency's information given in February 1998, an agreement between "Royal Dutch-Shell" and "Chevron", the USA oil company, on cooperation in new projects concerning the Caspian region, was signed in London.

The document defines the main terms and parameters, to be adhered by both companies during joint study and implementation of different projects on production, transportation and realisation of crude oil, natural gas and wet gas.

At the signing ceremony, the document Mark Moody Stew, the vice-president of the Board of Directors of the company said; "Taking into account, the experience Chevron obtained in this region, and our plans on development of global transportation systems, we will see that new opportunities emerge for the implementation of large-scale joint projects by our companies."

In the opinion of the participants of the agreement, this document will provide new additional opportunities for the development of wealthy Caspian resources and their realisation in the world market.

During his official visit to UK the President of Azerbaijan (19th-24th July, 1998) received Phil Watts in his residence in London on 20th July 1998. The head of the Azerbaijani Republic stated that though Shell came later to our country in comparison with other English oil companies, he was sure that our mutual rela
Mr. Watts remembered the meetings held in Houston and Baku in 1998, stressed their interest in close relations and stated that he would assist with the training and development of specialists and care for talented youth. He presented to the President Heydar Aliyev a book reflecting the company's activity, issued on the occasion of the 100th anniversary of Shell's foundation.

Besides a successful activity in the oil industry of our country, Shell also deals in marketing and realisation of products. Through its official distributors in Azerbaijan and also through "Dennis Lubricants" and " CSL" (Consolidated Suppliers International) companies Shell realises oil products, automobile, aviation and marine fuels and lubricants.

The congratulation letter sent by Phil Watts, Chief Executive of the company, to Heydar Aliyev, the President of the Azerbaijani Republic, on his 75th birthday spoke about the company's future activity in our country and also its intention of making certain proposals to SOCAR on the joint activity for "Kurdashi" and "D" blocks, and joining the projects on exploration and development of hydrocarbon resources in the south of the Caspian Sea.

It is noteworthy that Shell's activity in our country is not only confined to the economic field, but also includes active participation in the social life of the republic. The following social and cultural projects implemented by Shell in Azerbaijan evidence it:

Being one of the main sponsors of "Gaynag" Youth Fund. Shell in cooperation with this fund held a contest "How do I see the world?" in the IDP settlement of Sabail region.
- Shell funded Rana Rzayeva, a talented pianist's trip to the "Slavonic Expressionism" festival.
- The company donated $40,000 for a modern eye clinic to be opened in Neftchilar hospital.
- Alongside UNICEF and AIOC, Shell also sponsored the Courier and Telephone Service Organisation staffed by orphans and the physically handicapped.
- Within the last three years (1998-2000) Shell has donated $90,000 to the support fund for the Opera and Ballet Theater Academy in the name of M. F. Akhundov, as the company is the member of this fund together with BP-Amoco, Mobil, Viclo and others.
- Shell regularly supported the International Women's Club and also assisted orphans in Ramana.
- Shell held activities in different regions of Azerbaijan (in Sumgayit, Imishli, Saatli) in cooperation with the "Medecins sans Frontieres" humanitarian organisation.
- Shell sponsored a talented 13-year old chess-player Teymur Rajabov's participation in the International Chess Tournament in the Netherlands, who is the world champion, four-times European champion and twice International Grand
Master.

- In cooperation with the Research Institute on Oil, Gas and Chemistry Geotechnical Problems, Shell sponsors English language learning of three students from Azerbaijan State Oil Academy in British Council and intends to support their education in Imperial College of the UK in the nearest future.

- Shell aims to assist prodigy child poets, artists, musicians and the company is one of the founders of Charity Fund headed by Bayandur Mehdiyey.


Spearhead Exhibitions

"Spearhead Exhibitions” is one of the UK companies conducting its activity in non-oil sector of Azerbaijan economy. Spearhead was founded in 1969 and has evolved from publishing and exhibition organising into an international trade show and conference organiser with a wealth of experience and a prestigious portfolio of owned events covering energy, defence and aerospace, marine science, agriculture and food processing and infrastructure, among others.

The current portfolio includes;

**Energy:** Caspian Oil and Gas, Baku, Azerbaijan; Offshore Europe, IOCE (International Offshore Contracting and Underwater Engineering), Aberdeen Scotland; Oil and Gas North Africa, Tunisia.

**Marine Science:** Oceanology International, UK; Oceanology International Pacific Rim, Singapore; Oceanology International Americas, Miami, USA; Unmanned Underwater Vehicles Showcase, UK

**Defence and Aerospace:** DSEI (Defence Systems and Equipment International), UK; IMDEX Asia, Singapore; HELITECH, UK; International Avionics Exhibition, France.

**Infrastructure:** CIDEX, Caspian Industrial Development Exhibition and Conference, incorporating Caspian Infrastructure and Caspian Food and Agriculture, Baku, Azerbaijan; Yugoslavia Infrastructure Development Exhibition and Conference, Federal Republic of Yugoslavia; Infralympics Athens Exhibition and Conference, Greece.

The history of Spearhead Exhibitions activity in Azerbaijan goes back formally to 1994 when the first Caspian Oil and Gas exhibition and conference was held in Baku though the company started preparing for this show in 1985.

At that time everyone in the oil and gas industry was aware that the Caspian has great potential. Susan Crouch, Managing Director travelled to Moscow to check the situation and was able even to obtain floor plans of the old Exhibition Centre in Baku. But it was clearly too early for that time, both politically and practically. It was decided to wait at the same time trying to find out more about the region.
In 1992, a year after the collapse of the Soviet Union, BP and Statoil decided to form an alliance to work together in Azerbaijan. Their union made a global impact and that's partly why Spearhead realised it was time to get serious about Baku again.

After news came that there was a suitable sports complex in Baku that could possibly house an exhibition. Susan Crouch and Bryan Weavers, Technical Director of Spearhead Exhibitions decided to go to Baku. On that first trip to Baku in January 1993 Spearhead Exhibitions established very good contacts with a potential partner - the Azerbaijan Chamber of Commerce and Industry.

Then, in May, Ms Crouch returned again to seek the permission from Heydar Aliyev, the President of Azerbaijan. He fully agreed with the initiative. From the very beginning the support of the President has always had a great significance for Spearhead Exhibitions in organising all shows in Baku.

The first Caspian Oil and Gas exhibition and conference was held from 24th- 28th May, 1994 with 150 companies from 12 countries exhibiting and UK Energy Minister Tim Eggar attending the opening ceremony, alongside President Heydar Aliyev, who officially opened the event.

The President of the Azerbaijani Republic said: "I hope, western oil companies acting in Azerbaijan will always highly appreciate the achievements gained in the oil and gas industry of our country throughout the whole history of this field. The present exhibition prepared with great love and diligence creates large opportunities for this."

UK Energy Minister Tim Eggar, who made speech after the President of Azerbaijan, stressed the significance of the exhibition: "... A number of companies from different countries producing equipment for oil and gas production are represented here. "I can say for sure that the interest this event causes will contribute to negotiations and business relations. I hope, this one-week exhibition will assist with the development of cooperation between diverse fields of industry of different countries.

We have to work together. We must find different variants of collaboration utilising great potential of modern technologies. Today's event gives large opportunities for the establishment of new relations which would be based on the existing ones. The organisation of this exhibition is a good example to the achievements we may obtain by working together."

David Scott, the president of Spearhead Exhibitions, noticed in his speech that, an eventful history of the oil industry of Azerbaijan, which is optimistic about future, is known worldwide

He was sure that, the exhibition would create a great interest in oil potential of Azerbaijan and the whole Caspian region.

In this interview to Azerbaijan newspaper Mr. David Scott explained the importance of the exhibition: "First of all we understand the significance of oil and gas for Azerbaijan, a newly independent state. Our purpose is to direct
world's attention to your country.

"Because, as a matter of fact, oil and gas industry is an international concept. These days the Caspian region especially attracts our attention. In my opinion, it is good that Baku has started to be known as a center of this region.

Western companies own the latest technology. And Azerbaijan has a longterm experience, being the first oil producing country. Joint activity of these two sides would be very beneficial for your country and consequently Azerbaijan would return its past oil fame."

A significant leap occurred after 20th September 1994 when the Contract of the Century was signed. The Second International Caspian Oil and Gas '95 exhibition and conference was held in Baku on 23rd-26th May 1995. 160 companies from 14 countries participated in this exhibition. Energy Ministers from the USA, the UK, Norway and Turkey came to Baku in order to attend the show.

At the opening ceremony of the exhibition Susan Crouch, the Managing Director of the company, gave a speech and told again that the exhibition would be of great importance in further expansion of mutually beneficial cooperation between Azerbaijan and foreign companies and it would increase the interest in oil potential of Azerbaijan and the whole Caspian region.

Heydar Aliyev, the President of Azerbaijan, who gave speech in the ceremony, expressed his attitude to the organisation of this kind of exhibition: "I am sure that the exhibits displayed in this exhibition and the future activity here will benefit a lot to the utilisation of oil and gas resources of not only Azerbaijan, but also the whole Caspian Sea. I hope we'll see positive results of all these activities."

In his speech Tim Eggar, UK Industry and Energy, said: "Mr. President, I often visit Azerbaijan. As I told you yesterday, Baku is becoming my second home. The reason is not only well-known hospitality of Azerbaijan, but there are some other causes.

"The reason is the amazing opportunities created for western oil companies. There are few countries in the world which possess such potential and means for future welfare. We are happy with the opportunities created for the future development of Azerbaijan."

On 4th-7th June 1996, the third international Caspian Oil and Gas '96 exhibition and conference was held in Baku. Susan Crouch, Managing Director of Spearhead Exhibitions, opened the ceremony.

She noticed that the capacity and the international structure of the exhibition had increased in comparison with the first exhibition of this kind held in 1994. While in 1994 the exhibition was attended by 160 companies from 13 countries and ministers and representatives of 6 countries, this year 190 companies from 20 countries and ministers and representatives from 11 countries participated in the exhibition.

Heydar Aliyev, the President of Azerbaijan, who made a speech at the ceremony said: "Now the international exhibition provides wonderful opportunities for the establishment of new contacts in order to expand cooperation. I am sure
that the exhibition and the conference to be held within its frame will give chances for
the innovation of cooperation capacity and the attraction of more foreign companies and
countries to the collaboration with Azerbaijan.

"I know the exhibition opened today is the result of the large-scale, hard work done
during a year, i.e. since the completion of the exhibition held in 1955. I would like to
express my gratitude to Spearhead Exhibition Ltd., the UK company which has carried
out an extensive and difficult activity on this field, and certainly to thank the Managing
Director of the company, a beautiful lady introduced to me today.

"I thank the Azerbaijan Chamber of Commerce and Industry and its staff for the
work done in the organisation of the exhibition and also all the companies and firms
which displayed their exhibits and did large work in the arrangement of the exhibition".

UK Industry and Energy Secretary Tim Eggar who came to our country in order to
attend the exhibition said: "Mr. President, first of all I would like to convey to you and to
your nation the best wishes and congratulations of John Major, our Prime Minister and
the British people.

"Each exhibition held in Baku is considered to be an extensive experience. Mr.
President, I think, you agree with this. Certainly, today's exhibition is the largest
compared to the previous ones.

"We greatly admire the participation of over 50 UK companies in this event. We
are represented there more extensively than other countries. Mr. President, I'd like to
join your words of gratitude and regards concerning Spearhead Exhibitions company
and especially Ms Susan Crouch.

"Mr. President, I am delighted to see here high-level officials from different
countries. All of us attend this exhibition with great pleasure. The reason is very simple.

"Mr. President, not for the first time I speak about your personal efforts. In
Azerbaijan you try to create all conditions for the foreign companies to feel like at home.
You endeavor to establish such an environment in Azerbaijan so that foreign companies
could run their business activity successfully in the country, without any unfounded
intrusion. Azerbaijan is the place where our companies and we are able to conduct our
activity successfully and quite normally."

On 3rd-6th June 1997, the fourth International Caspian Oil and Gas '97 exhibition
and conference was held in Baku. Over 250 companies from 25 countries took part in the
exhibition.

At the opening ceremony of the international exhibition and conference, Heydar
Aliyev, the President of the Azerbaijani Republic made a speech. He said: "If the
exhibition held in Azerbaijan capital Baku attracted the world countries and companies,
especially the companies engaged in oil and gas industry in such a short period of time,
then it is a very significant event.

"The Caspian Oil and Gas '97 exhibition and conference is also an important
means for Caspian rim countries and oil and gas companies acting in this area, as
it contributes to their joint activity in future. Oil and gas resources of the Caspian rim attract a number of countries and oil and companies of the world these years. "There is a good reason for that, as it is well known that, Caspian rim has rich oil and gas resources and in future, especially in the 21st century our main purpose is utilisation of these resources, production of oil and gas and its delivery to the world."

UK State, Science, Industry and Energy Secretary, MP Mr. John Battle, who came to Baku in order to attend the exhibition highly, appreciated the event. He said; "I am very pleased to participate in the fourth International Caspian oil and Gas exhibition and conference in Baku. This event is important not only for Azerbaijan and the Caspian region, but it also carries an international significance, that is why this day is assessed as a main event in global oil and gas calendar. I sincerely congratulate the organisers of such a wonderful exhibition.

Being a minister of the new UK government, I am also delighted to witness expanded activity of almost 55 UK companies in Azerbaijan. This activity is based on long-term relations implying certain obligations concerning development of the industry and stabilisation of economy of your country. I may add that the good work done by Tim Eggar, who was minister prior to me will be continued and, I hope, improved."

The oil sector is not the only focus for Spearhead Exhibition. On 14th-17th June, the company in cooperation with the Azerbaijan Chamber of Commerce and Industry held the first International Caspian Eood and agriculture Conference and Exhibition in Baku. The purpose of the event was to give foreign companies a clear picture of the investment opportunities available in the food processing and agricultural sectors. The aim was to guide those involved in these areas within the country towards a better understanding of the financial assistance based on Reform and Modernisation projects carried out in Azerbaijan and joint venture possibilities.

The exhibition also covered the issues on the development of fishery and fish processing, caviar production, protection of sturgeon species, growing of fruit, and vegetables and their conservation, possibilities of foreign investment in enterprises producing pasta and milk products and tobacco industry.

In the course of the exhibition and conference the matters like the potential of internal market of Azerbaijan, Land Reform implemented in the Republic, international investments made in our country, the credit allowed through regional project on agricultural reform in the framework of TACIS programme of the EU were discussed. On the whole, up to 30 reports were given in the conference. The reports were made by Azerbaijani experts and also from the TACIS programme. World Bank, UN, World Health Eund, World Wildlife Fund, UK Ministry of Agriculture, US Department of Agriculture.

In the same year, in UK, London the Azerbaijani Republic Held Agriculture and Food conference on the initiative of UK Ministry of Agriculture.
After the first exhibition on agriculture was held in our country, the organiser of the exhibition, Spearhead Exhibitions Ltd. was applied to by over 170 agrarian institutions of our republic with the request of establishment of contacts with analogue institutions of the UK.

In October 1997, Spearhead Exhibitions organised in Baku the first Caspian Infrastructure exhibition and conference. Over 3,000 visitors from 27 countries attended the exhibition.

Those comprised government and industry decision-makers, buyers, planners, surveyors, engineers and contractors from the Caspian region, the CIS, the Middle East, South East Asia, America and Europe.

The exhibition was the first in a series of events establishing a basis for the modernisation of Azerbaijan's infrastructure in line with its position as the 'hub' of the Caspian region.

The Caspian Infrastructure exhibition reflected the country's investment plans with exhibitions offering equipment and services for a variety of sectors, such as: construction engineering, power generation, transportation and freight forwarding, financial and legal services, etc.

The exhibition offered the perfect opportunity to meet the key foreign and local personnel from the various industries, services and relevant government ministries.

The fifth International Caspian Oil and Gas '98 exhibition and conference was held on June 2nd-5th 1998 in the Sport and Exhibition Complex in Baku. Exhibitions numbered 431 and represented 30 counties. The Ministers and their representatives form 12 countries attended the event.

Heydar Aliyev, the President of Azerbaijan gave a speech at the event. He said: "The International Caspian Oil and Gas exhibition which has been regularly held for the last 5 years in Baku, Azerbaijan has expanded and developed every year, increasing interest of the world companies dealing with oil, gas and other energy sectors evidence to our successful cooperation.

"The Oil and Gas exhibition held in Azerbaijan for 5 years, raises the interest of the countries possessing energy resources and once again confirms that the independence of the Azerbaijani Republic creates large opportunities for independent cooperation of Azerbaijan with the world countries."

Mr. John Battle, MP and UK Science, Industry and Energy Secretary, who visited our country in order to attend the event, gave a speech at the ceremony.

He said: "I have to say that this is really an event of international significance and world level. I am happy to attend Caspian Oil and Gas exhibition after a year. A year ago, when I visited Baku as a Minister, I greatly admired the level of development oil and gas industry in Baku. And now I am glad that since then Azerbaijan has gained significant achievements in this field."

The guest emphasised the personal services the President of Azerbaijan rendered in order to gain these great achievements and stated that he was pleased with the participation of almost 90 UK companies in this event.
At the end he said: "Baku is really a city where all nations can get together. Azerbaijan is in the way of development towards the 21st century. I wish success to this exhibition and I am sure that you will mark this kind of holidays successfully in future. Thank you very much!"

In October 1998, Spearhead Exhibitions held in Baku the second International Caspian Infrastructure exhibition and conference. Over 100 companies from 15 countries participated in the exhibition.

On the UK Department of Trade and Industry stand alone there were more than 250 companies represented by means of catalogues. Visitors represented 29 countries of CIS, the Middle East, Europe, The Far East and North America.

The Caspian Infrastructure conference held alongside the exhibition proved to be a unique forum for the generation of full and frank discussion on the development of infrastructure of Azerbaijan - the achievements, the challenges on the future potential.

On 1st-4th June 1999, the sixth International Caspian Oil and Gas '99 exhibition and conference was organised, being attended by 309 companies from 29 countries of the world. As Heydar Aliyev, the President of Azerbaijan was not in the country, he sent congratulation letter to the visitors.

Lord McDonald, a representative of the UK Government, Business and Industry Secretary of the Department on Scotland, who visited Baku in order to participate in the event, in his speech, said he was proud that UK companies had done considerable work in the development of the oil industry of Azerbaijan, construction of two big drilling rigs, "Dada Gorgud" and "Istiglal" and also construction of Western export pipeline. It was said the companies are expanding their activity in Azerbaijan as they are interested in our country and its potential.

Over the course of the three-day conference for the first time the increasingly important issue of gas within the domestic and the export market was addressed. This dynamic session discussed the potential of the gas market for the whole region and beyond and attracted a huge number of delegates.

In the same year Spearhead Exhibitions won a tender announced by the UK Trade and Industry Ministry for the organisation of a trade fair held in Azerbaijan by a foreign country. The fair organised by Spearhead Exhibitions and supported by the trade and Industry Ministry gave opportunities for British companies to exhibit their products and services and study extensive business opportunities in Azerbaijan.

Household products and equipment, knitted products and make-up, education services and others were exhibited in the fair. The "Visions of Britain" trade fair was held alongside the Caspian Industrial development Exhibition and Conference incorporating the third International Caspian Infrastructure and the
second Caspian food and Agriculture shows.

On 7th-10th June 2000, Spearhead Exhibitions organised the seventh International Caspian Oil and Gas 2000 exhibition and conference which attracted over 300 exhibiting companies from 27 countries.

Heydar Aliyev opened the ceremony with a powerful message defending the Caspian reserves and stressing the necessity for the implementation of the Main Pipeline as well as multiply transportation systems.

He started: "I believe that the construction of the Main Export Pipeline Baku-Tbilisi-Ceyhan will be completed by 2004 and the pipeline will be utilised.

"In some people's opinion, the capacity of oil is not enough to be transmitted via this main export pipeline. So some people think it is not necessary, the others think it is too early. These are wrong viewpoints. Because the most significant, i.e. minimum prognosis approve that 4-5 billion tons of oil is expected to be produced form only Azeri sector of the Caspian sea."

In his speech, Mr. Brian Wilson, MP and UK Secretary on Scotland, who visited Azerbaijan in order to take part in the event, said: "Mr. President, we believe that establishment of a firm basis of oil and gas industry in Azerbaijan people. Democratic measures are part of that basis. but it is not easy to achieve a real democracy.

"It is important for a young and independent state which has no debts. That is why I am speaking about state of that the new century will bring success not only to Azerbaijan and the UK, but also to all peoples intending to develop cooperation and friendly relations in future."

In July 2000, Spearhead Exhibitions organised together with the Azerbaijani Embassy in the UK and the UK Ministry of Trade and Industry a one-day seminar in London on opportunities in the food and agriculture sector in Azerbaijan. First Deputy Prime Minister of the Azerbaijani Republic, Abbas Abbasov, gave the keynote address at the seminar.

On 5th-8th June 2000 the eighth International Caspian Oil and Gas 2001 exhibition and conference is to be held in Baku. Besides, Spearhead Exhibitions in cooperation with the US-Azerbaijan Chamber of Commerce is conducting organisational work concerning the exhibition and conference in Washington D.C. to be held in September of the current year and focused on the start of discussions over the regular development of the region and mutually beneficial points.

HSBC

The headquarters of the HSBC bank group - one of the biggest banks and organisations providing with the financial service - is situated in London. The company has 6,500 offices in Europe, Asia, the Pacific Ocean basin, America, the Near East and 79 countries in Africa. Among the service that HSBC Bank Group offers, we can show private, commercial, opening of the coi-porative bank
accounts, financial, business and insurance services concerning the investment market service.

According to latest information the general investment of the bank group has been 580 billion US dollars. Besides, the company has 170,000 workers and 175,000 investors around the world. Altogether the bank group consisted of several companies and these companies were established more than 100 years ago.

HSBC took its name from Hong Kong and Shanghai Banking Corporation and as a bank was formed in the beginning of 1860 in the business circles situated in the Chinese shores of the Pacific Ocean. As the financial trade was not developed enough in that region, number of mutual financial invitations were fulfilled by European Trade Companies.

Either local merchants or the leading famous Hong Kong businessmen heeded a more highly developed financial companies and special bank services. Due to that, in 1865, the Hong Kong bank was founded in order to supply those needs.

In this work the founder of the bank Thomas Suzerland got support in a great extend from different financial circles. The bank supported by America's, India's trade companies and also by European firms began its activity in Hong Kong on 3rd March 1865, with a preliminary investment of 5 billion dollars.

It is necessary to point out that laying the foundation of the modern bank work Hong Kong-Shanghai bank group has gained a lot of success in fields like financial trade and bank expertise. In that period the bank offices opened in different Asian countries reached the decision-making status, and in 1876-1902 in the ruling period of the Head Director Thomas Jackson, the bank highly developed and became one of the leading financial companies.

A good example of playing a great role in the financial policy of the Asian countries was the production of the Chinese bank notes. Despite the European and Asian of the bank stopped their activity for the time during the World Wars, in the post-war period it began its activity and gave the support to the restoration of the economic structure of the countries that suffered damages.

The part of the Hong Kong-Shanghai bank group. Near East British Bank began its activity in London, September 1889 and took the name of Iran Imperial Bank. At that time the concession concerning the bank works from the Shah for 60 years the founder of the bank Julius de Reuter (at the same time the founder of the "Reuter Information Agency") began the wide activities.

Unlike the other foreign banks, the Iran Imperial Bank was invested by British Government due to a King's decree at that time. In the years between 1896 and 1920 the Iran Imperial Bank extended the range of its activity and opened 26 offices in the different regions of the country.

Owing to the political and economical changes taking place in Iran in 1930-1940 some of the concessions, at the same time the production of the banknotes was given to the authority of the newly formed Bank Melli Iran. In 1940, making routine changes in its strategy the bank opened its offices in the Gulf States: one by one in Kuwait (1942), Bahrain (1944), Dubai (1946), Muscat (1948), Oman
In 1949, possessing such sets of offices in the Near East and more improved, the bank was initially called "The British Middle East and Iran Bank", then due to the stoppage of the activity of since 1942 on the king's decree the bank was called "British Bank of the Middle East".

Although the "British Bank of Middle East" began its activity in Iran again since 1959, the nationalisation of the country banks resulted in the stoppage of the activities of the bank.

From 1960, as a result of the nationalisation of the "Middle East Bank" industry the same process happened in countries like Syria and Iraq and especially in the result of the growth in the oil industry number of offices joined the local banks and operated together in the Gulf States.

In 1994, the main office of the "British Bank of the Middle East" transferred from London to Chelsea and since 1999 is called HSBC Bank Middle East.

On 15th August 1996, in the presence of the Azerbaijani President Heydar Aliyev there was an opening ceremony of the "British Bank of the Middle East" in Baku.

Being the memory of the HSBC group since 1959 the bank is the first among the organisations providing with banking and financial services. Among the other main members of the group we can show Hong Kong bank operating in Asia, Midland Bank in Europe and Mann Midland Bank in USA.

William Purvis, the chairman of the "Hong Kong-Shanghai Bank Group" to which this bank belongs, participated in the ceremony noted that British Bank returned to Baku-Azerbaijan after an 80-year break.

He said: "We are so satisfied that we have come here on the invitation of the Azerbaijani government. At present your country is leaving the period of necessary changes, stepping on the free market economy. I am sure that the wide experience of the "Hong Kong-Shanghai Bank Group" will give us an opportunity to play a great role in this economical development and we will contribute you in realisation of your purposes by taking hand in the future development of Azerbaijan.

"At present there is a great need for suitable infrastructures and also modern bank experience in supporting the investment given to the different fields of Azerbaijan economy. At present, the newly opened office gives a chance to Azerbaijan to use all the opportunities of the "Hong Kong-Shanghai Bank Group" in different regions of the world."

Afterwards Azerbaijani President Heydar Aliyev gave a speech at the ceremony:

"Honourable president, honourable ambassador, ladies and gentlemen!

I congratulate you on the opening of the British Eastern Bank Office Agency in Baku and value it as a very necessary event in our economic life. The Azerbaijani Republic leaves the changing process of its life. All the fields of its life according to the modern requirements of economy, here democratic princi-
pies according to the path of market economy and path that our republic has taken in many fields.

"The bank-finance system has a great role in this process. Azerbaijan announced obviously to the whole world economy that we'll open the way to the foreign investors and at the same time will try to formulate a necessary situation for realisation of their purposes.

"From this point the cooperation of Azerbaijan with the big financial centres and banks of the world and representation of the big banks of the world in our republic the main component of the measures taking in the field of economy. In this case the opening of one of the biggest banks of the world, the British Eastern Bank of Middle East office undoubtedly offers a good facility for the development of market economy, the improvement of the financial system and for the free operating of the investors in our country.

"Considering the opening the British of Middle East Bank office to be necessary, we made contacts with the banks and came to this ceremony. I can remark with satisfaction that it is the second visit of British Bank to Azerbaijan. This means we have ancient ties, relations and despite those relations were cut for about 80 years, I hope it has kept the strength and now we are restoring it.

"It also shows that the British bank has deep roots and the bank will function better in the new stage due to these roots. It is clear that the British bank is not coming here from pure will, it tries to form the ties of the ties of the bank system all over the world and wants to take benefit out of it.

"Although we have no ties for 80 years we also want to profit out of this event, the representation of British Bank in Azerbaijan and we are taking a step towards the development of industry of our country, to improve the financial system and to make easier both the foreign investors and local business activity.

"We are on the path of market economy and we give the privilege to initiative, proprietorship and we are conducted the process of privatisation by making great changes. In this case such banks are profitable for the owners, businessmen and investors aiming to investment in Azerbaijan.

"I want to say that this office of the British of Middle East Bank was opened not only for that aim but also for supplying the interests of Azerbaijani Republic and mutual relations and cooperation, lay the foundation for taking mutual profit.

"I have appointed a meeting with the businessmen and owners functioning in Azerbaijan for tomorrow, 16th August. Not only Azerbaijan citizens but also foreign businessmen intending to work in Azerbaijan were invited to this meeting.

"The purpose of the meeting is to form a suitable condition for proprietorship, to take the obstacles from the way of activity and to develop a private sector. I hope it is typical to open the British Eastern Bank in the course of such a meeting and as they are connected they'll contribute each other.

"The British Bank is one the biggest bank of the world. Taking a chance I wish success to British Bank in its future activity I want to say that I hope the
relations between Azerbaijan and East Bank will be more extended in future, I am sure British Bank will always take care of its Azerbaijan office and will not only contribute to the activity of the office but also will do its best in order to develop Azerbaijan's Bank system.

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"I congratulate you once more on that occasion and I wish success to British of Middle East Bank and to its office in its activity. As to the information of 1996 from 25 employees working in the bank at that time 22 were Azerbaijanis and they have passed three months of preliminary courses in United Arab Emirates and Malaysia. At present 50 employees are working in that bank and 47 of them are specialists.

"Baku office of the British Bank together with economic functioning also takes a great part in humanitarian programmes. So that the bank organised two months of summer English language courses under the sponsorship of the Eund situated in Great Britain formed in 1996. These courses gave the opportunity to get acquainted with the different cultures and business worlds.

"The preliminary aim of the Fund is to offer exclusive facilities to Azerbaijan young generation in the field of education. They have to pass a competition to gain the right to study in that course. In 1998, the application of 40 participants were looked through by British Council in order to find the winners of the competition.

"The British Council also helped to define the contexts of the courses. As a result, in the summer of the same year 20 participants were announced the winners of the competition and gained the right to study in those courses. One of the programmes sponsored by the Bank is the financing of the expedition organised by "Rally International", charitable society established in 1984 in Great Britain.

"The main purpose of the charitable society is to give an opportunity in taking part in the programmes connected with the social projects and environment realised in the remote points of the earth. In 1999, the Bank reported with the sponsoring initiative, connected with the project, later on, ensured the participation of two Azerbaijan students in the charity expedition."

**British Airways**

British Airways is one of the most successfully functioning companies in the world. In 1996-1997, the company transported 38,180 million passengers, and 721 tonnes of cargo.

The British Airways Company was established in September 1972. In 1987, the company was privatised. It is one of the biggest international passenger and load transporting aircraft companies. The net of air routes of company covers 97
countries of the world.

The fleet of "British Airways " company group comprises 256 planes. It is one of two companies to use the "Concorde" planes, which travel faster than the speed of sound. The biggest airport in the world "Heathrow" in London is the base airport of British Airways. The number of trips from "Gatwick" airport in London is constantly increasing.

Nearly 58,000 employees are working in British Airways and most of them are from Great Britain. Unlike many of the world's leading companies British Airways is at its investor's disposal. The company has about 250 thousand investors, 66% of them are the company employees.

The success of British Airways is due to the high quality of the rendered services, diligence of workers, marketing and the reduction in the expenses.

This British company is the first air transporting company of Western Europe functioning in Azerbaijan. British Airways is first Western Europe air transport company to open its agency in Azerbaijan in 1995. It began to organise regular trips with the plains Boing-737 three times a week between Baku and London.

During three year of functioning the company managers with the intention of increasing the passenger transporting aimed to strengthen the cooperation between two countries. So that British Airways aiming at taking part in the development of air transport in Azerbaijan produced "Boing-758".

Last year in April, British Airways joined in its functioning to Baku-London trips in one unique regional net its financial partner serving with "Aerobus-320" planes.

Since that time Sabina Sharifova, who was the director of the Azerbaijan department of British Airways in marketing and selling was appointed to the post of the company manager.

From 1st March this year, British Airways increases the numbers of trips between Baku and London, brought it to six times a week. British Airways offered tickets to the passengers going from Baku to Bishkek and wide spectrum of services according to the agreement reached between Azerbaijan and Kyrgyzstan.

British Airways Company is not only functioning in our country the field of air transport but also doing humanitarian; charity activities. On 5th August 1999, the company organised an air tour fantasy flight for Azeri orphans.

On 6th August 1999, British Airways together with BP-Amoco, "Satoil", "Daytung", "Hyatt Hotel" and "ANS" TV companies held a charity party in order to draw the attention of the society to the orphans' problems and to give financial aid to the orphanage. The manager of the company told the correspondent from Azeritaj that all the money taken from the party would be given to the Azerbaijan International Women's Society in order to improve the orphans' life.
"AzEuroTel" Azerbaijan-Great Britain
Joint Venture

The "AzEuroTel" Azerbaijan-Great Britain joint company was formed in 1995 by the Azerbaijani Ministry of Communications and the "LUKoil Europe Ltd" (Great Britain) company. "AzEuroTel" is the operator of the ATE (ATS) with modern numbers like 92/97 based on the "SYSTEMAX" technology of the "GPT Ltd" British company. "AzEuroTel" has a licence from the Ministry of Communications for giving combined telecommunication services and it is a member of the International Telecommunication Union.

It is necessary to point out that the Russian oil company "LUKoil" was the first among the members of oil consortium functioning in Azerbaijan to show initiative in investing Baku communication system. The initiative of the company was supported by the Azerbaijani President Heydar Aliyev.

At present there are more than 20,000 subscribers, among them government and state bodies. Government, Ministry Chamber, ARDNS, XIN, DIN, MTN, Prosecutor's Office, Customs Committee, at the same time world-famous transnational corporations, diplomatic mission and local companies use "AzEuroTel" services.

The "AzEuroTel" joint company shows modern technical facilities and also offers "ISDN" and video conferencing included in the telecommunication system to Baku customers.

Video conferencing is the most convenient, easily connected and economic communication system in modern business. This kind of communication gives an opportunity to form a visual and "AzEuroTel" is the one joint company in the South Caucasus to present "Nokia Actionet" with "1327 MR.T" standard.

It combines telephone, portable radio transmitter and pager functioning in itself. This system is also widely used in the world. Most of the aviation companies (KLM, Lufthansa), city services of European countries, municipal organs, transnational corporations, banks, metros use the "Nokia Aktionet" system.

In English the word "trunking" means radio-connection. The privilege of trunking communication is its being profitable. For the companies being extended communication it means the reduction of expenditures.

As we remarked, "AzEuroTel" was founded by "LUKoil Europe Ltd", a branch of the Russian "LUKoil" oil company. On 10th May 1996, Azerbaijani President Heydar Aliyev participated in the opening ceremony of "AzEuroTel". The head of the government got acquainted with the station supplied with modern equipment from Great Britain's "GPT" company.

The regional director of GPT, Donald McLaughlin, expressed his gratitude to president for giving a chance to company to take part in the formation of ATE (ATS) project.

Giving a speech at the opening ceremony. President Aliyev said: "I welcome
this event with great satisfaction. Because in February 1994, in the course of my formal visit to Great Britain, I signed an agreement with the deputy of John Major and other leaders of the government and also signed an agreement between Azerbaijan and Great Britain's "GPT" company on mutual corporation. We see the practical results of this agreement and that's why we participate in this ceremony.

"Firstly I highly appreciate equipments meeting modern recruitments constructed by "GPT" company and the work that it has done. Alongside the "GPT" company, this station is the result of Russian "LUKoil" company cooperating with Azerbaijan and Great Britain. So we can obviously see the results of the cooperation of three countries. Great Britain, Russia and Azerbaijan, in today's significant event.

"So the Azerbaijan-Great Britain joint company, "AzEuroTel" is the sponsor of the "Gays from Baku" publishing house, "Sayyah" children's ensemble and also the sponsor of Teymur Rajabov, who has been world champion in chess three times. The joint ceremony takes part in financing the charity ceremony with the purpose of contribution to the refugees from Nagorno-Karabakh."

It is necessary to point out that alongside these companies, insurance, building and equipment companies of Great Britain are also functioning in our country.

One of the main economic projects realised recently Azerbaijan and Great Britain is the building and modernisation of the Baku International Airport building. It is necessary to point out that the first airport building in Baku was given to utilisation in 1964.

As far back as 1981, the head of Soviet Azerbaijan, Heydar Aliyev, showed an initiative in preparing the building of the new airport complex in Baku. In the same year he chose the project which had von the all union competition held in this purpose, prepared by the employees of the "Airproject" institute of the USSR's Civil Aviation Ministry, Azerbaijan architects, R. Aliyev and N. Aliyev.

In 1996, Azerbaijani President Heydar Aliyev gave instructions for preparing new project of Baku International Airport complex. Afterwards with the conduction of Great Britain's "Siemens Plessy" company, "MDA" consortium including the companies like "Burns Associate" and "Kura Trade and Deavelopment" of Great Britain, "Bino Enk" of Turkey, "MDA-group" of Ireland, "Avia International", was established for building and modernisation of the international airport.

On 19th October 1997, in the presence of President Heydar Aliyev there was a presentation of Baku International Airport project and on 30th September 1999, there was an opening of the new complex of the Baku International Airport.
Azerbaijani President participated in this opening ceremony and highly appreciating the fulfilled works gave his advice.

The ambassador of Great Britain in Azerbaijan, Roger Thomas, gave a speech in the ceremony and widely spoke about his government’s participation in this project.

"Mr. President! Ladies and gentlemen!

"There is such a proverb in our country: "Success has many fathers, but failure is an orphan". Ladies and gentlemen, my country. Great Britain, doesn't want to be called the father of the airport. And also doesn't want to have a role of guardian. It happened, that we took part in the building of the airport from the beginning and that's why alongside with the beautiful success of the airport we'd like our names to be called.

"Great Britain played a leading role in two fields in building the airport. Our first role was in the financial field. Ladies and gentlemen, my children always tell me that love makes the world go round. But it is clear to everybody that it is money that makes the world go round. One thing is clear that the airport couldn't have been built without money. And Britain said his word in this very model.

"The British government supplied this project with export credit. It is for the first time that Britain shows its beliefs to the future of our country, giving financial insurance. British banks also took part in this work. Natwest and HSBC practically separated millions of dollars from commercial markets and put them into this project.

"It is not easy to do that. In most cases, the financing of a building is more difficult than building it. Until 1996, the City of London, the financial centre of my country, had never joined projects related to Azerbaijan. Financial centres didn't know where Azerbaijan even was in the world, they hesitated whether to put investment on this country or not.

"But then eight banks representing five countries led by British and Turkish financial founders joined the project. It was for the first time that the financial systems of Azerbaijan were working with the real financial army and that's why I take my cap before Azerbaijan International Bank and the Ministry of Finance and applaud them for their protecting the interests of Azerbaijan so skilfully.

"At the same time Britain played a great practice role in preparing the service of this airport and it could show its skill in this work. Special X-ray equipments that can examine the luggage were put there. We can't help you if you are late for the plane. But when you enter the airport the table before is prepared by British government. You can see all the information on the very table. Besides British companies constructed here escalators, electric generators and other equipments.

"Honourable ladies and gentlemen! Today we are in the opening of such a beautiful airport and that it will play a great role in the future life of Azerbaijan. That's why I want to request everybody not to deny assistance for the future success of Azerbaijan. Thank you very much!"
In October of the same year, the State Secretary of the Foreign Office, John Battle, was also involved in an aviation company and signed a protocol with the chief director of "AZAL", Gahangir Asadov, between Azerbaijan and Great Britain with the purpose of realising the building and financing of the new load terminal in Baku Bina International Airport.

At the meeting the project of aerostation complex in Baku Bina International Airport and "the modernisation of air traffic-management system" was again highlighted to be the most important project realised in Baku by Great Britain.

Speaking about the corporation in economic field between Azerbaijan and Great Britain, it will be right to remark the visits of the delegation of the Aberdeen Trade and Industry Chamber, begun about two years ago, conducted by the Trade Ministry of Great Britain and the British embassy in Baku.

The main purpose of the visit of the representation consisted of 12 members, having been in Azerbaijan from 29th January to 6th February 1999 was to learn the opportunities for widening business corporation in the oil and gas industry, construction of the environment security project and with the matter of supplying the different fields of oil, chemistry and power engineering with specialist.

The following representative staff, having been in Baku from 26th January to 3rd February 2000 concluded 22 representatives from 19 companies from the Aberdeen Trade Chamber. During the visit Aberdin businessmen got acquainted with different fields of Azerbaijan economy, especially oil industry, together with member of company leaders. They came to agreement on mutual corporation with British companies functioning in Azerbaijan.
2. The Azerbaijan-British Trade and Industry Council

When Englishmen speak to each other, they say: "Don't take a cup if you cannot drink the water." This motto comes to Englishmen's help in common life but also in politics, economy and business.

When the Azerbaijan-British Trade and Industry Council was founded their British counterparts took this motto, five years after the establishment of Council. George Riches, the British co-chairman of this organisation in his interview to the magazine "Businessman" published in Azerbaijan stated this saying one again reminding his activities.

The agreement about the Council, which takes an important part in the development of economical relations between Azerbaijan and Great Britain, was signed by Azerbaijani President Heydar Aliyev and by the president of Trade Council of Great Britain, State Secretary of Trade and Industry, Ian Lang, on 29th November 1995 in London. This document was confirmed with adequate disposal of president Heydar Aliyev on 15th June 1996.

Azerbaijan co-chairman of Azerbaijan-British Trade and Industry Council, extraordinary and plenipotentiary ambassador of Azerbaijan in Great Britain, Mahmud Mamed-Kuliev commented the aims of council as followings:
"The Azerbaijan-British Trade and Industry Council was founded as a body which will coordinate the industrial and trade relations between the two countries. One of the important duties of Council is to involve investment and to create suitable conditions for the British businessmen intending to work in Azerbaijan. Today all British companies engaged in stable business are the members of our Council. Stable increase of council members among private companies is observed.

"The Azerbaijani Entrepreneurs Confederation joining more than 400 companies and association and unity of companies engaged in banking, consulting, farming, advertisement are the members of Azerbaijan-British Trade and Industry Council. It is already an influential social organisation.

"One of the Council's important strategic lines is rendering assistance in the formation of direct relations between Azerbaijan and Britain companies. All the British companies functioning in Azerbaijan are the members of this Council." "Among the Azerbaijan members of this Council are the influential companies and organisations like Azerbaijan Chamber of Commerce and Industry, National Bank, the Azerbaijan Entrepreneurs Confederation, Real Holding and "Improtex Group".

"It must be noted that British Trade and Industry Department and the representatives of Ministry of Foreign Affairs of Azerbaijani Republic also take an active part in the work of Council."

In Baku on 5th June 1996 at the presidential palace the first ceremony of the Azerbaijan-British Trade and Industry Council was held with the participation of
9th gathering of the Azerbaijan-British Trade and Industry Council held in Baku (June 2000)
Azerbaijani President Heydar Aliyev and Tim Eggar, the Minister of Energy of Great Britain.

Stating that George Riches is presiding the Council from British side and ambassador Mahmud Mamed-Kuliev from the Azerbaijan side. Heydar Aliyev noticed he had a detailed talk with Mr. Eggar about the activity of this social organisation during two days.

Showing his satisfaction about the successful progress in cooperation between two countries Aliyev estimated the activity of 45 British companies in Azerbaijan affirmatively. In the opinion of the Azerbaijani President, it is the result of the rapid development of relations with Great Britain, stepping of our country on way of market economy and the opening the doors of Azerbaijan for foreign companies. In the opinion of our president who highly appreciates all these successes, there are many opportunities for the strengthening our cooperation and they must be used thoroughly.

President Heydar Aliyev mentioned with satisfaction the work of the conference held at the Adam Smith Institute in London in 1995 and said that it had a great significance in informing many companies of the world about the economic opportunities of Azerbaijan.

At the end of his speech greeting the British delegation once again Heydar Aliyev wished success to Azerbaijan-British Trade and Industry Council in its activity.

Tim Eggar expressed his attitude on behalf of all the British members of Trade and Industry Council to Azerbaijani President and spoke with pleasure about the election of his co-chairman, ambassador Mahmud Mamed-Kuliev to this council from Azerbaijan.

In Mr. Eggar's opinion his election to Council as a co-chairman is very advantageous for the future perspectives of cooperation between two countries. Mr. Eggar said that the British co-chairman George Riches is acquainted with economic life of Azerbaijan.

Expressing his gratitude to our president for the formation of suitable condition for British companies the Minister said he was sure that the council would play a significant part in the development of bilateral relations.

There was held a meeting of Azerbaijan-British Trade and Industry Council since 1996. It should be noted that due to the efforts of Council members and to the result of discussions successfully conducted with the British Government, it was decided to give Azerbaijan guaranteed commercial credits in June 1996.

At a Council meeting in November 1997, council members decided to sponsor one Azerbaijan musician at a sum of 20,000 pounds to continue his study in Great Britain. There was also a decision to invite a group of Azerbaijan scientists to Britain. It is necessary to point out that a delegation with the leadership of Deputy Prime Minister was also taking part in this council meeting. Abid Sharifov told that the president Heydar Aliyev shows a special interest to the activity of the Council.
Besides that there was held council meetings in London and Baku in 1998, 1999 and 2000. The accounts on the activity of Azerbaijan and Great Britain, the situation of economic reforms, the matters of privatisation in the power engineering sector of Azerbaijan, accepting a tax code, the problems in the part of municipal services and other matters were discussed in that meeting.

The Azerbaijan-British Trade and Industry Council took an active part in the activity of Anglo-Azeri Society, organising British week held in Baku in October, 1999 and in preparing the book "Doing busy with business in Azerbaijan".

It is necessary to point out in "Doing busy with business in Azerbaijan" book all the matters connected with foreign trade investing to Azerbaijan has been looked through in details and also there is given a wide information about the opportunities created for trade and control investing in Azerbaijan.
3. The British Business Group

When I first arrived in Baku, 1995, things were very different from what they are now. The Contract of the century had been signed the year before between SOCAR and a consortium of Western oil companies and the country was poised for an economic revolution. At that time, there were handful of British companies established in Baku, most of whom were associated with the oil sector. Some notable exceptions were the arrival of two international accounting firms (Ernst & Young in 1994 and PricewaterhouseCoopers in 1995) and the establishment of the British Bank, a branch of one of the largest banking groups in the world, the Hong Kong Shanghai Banking Corporation. The British business was small and socially revolved around a monthly gathering at the British Embassy and the Lord Nelson pub which was opened in November 1995 by an enterprising Englishman, Charlie Christmas. It was in this pub 1996 that the idea of forming a British Business Group was conceived.

Three of us, myself, then managing partner of Ernst & Young, Alan Wilkinson the CEO of British Bank and Paul McGan^, manager of British Airways put the idea to then British Ambassador to Azerbaijan, Tom Young, who readily agreed to support the venture. As a result, a meeting was held at the Hyatt, attended by some 20 representatives of British companies in June 1996 and it was essentially at this meeting that BBG was formed. The next few months saw the formation of a committee, the preparation of a draft constitution and the organization of regular formal meetings of the Group. At the first Annual General Meeting, in April 1997, the Constitution of the Group was formally agreed by the members and the ad-hoc committee formally elected for the forthcoming year. The Constitution set out the objectives of the Group which still remain unchanged and are as follows:

-To provide the opportunity for individuals representing British companies with a presence in Azerbaijan to meet on a regular basis and to act as a forum for the exchange of information relating to current and expected business opportunities.

-To liaise the British Embassy in Azerbaijan on matters of interest to the Group.

-To assist the British Embassy in providing support to delegations, prominent executives and officials visiting Azerbaijan from Britain and in providing support to British companies and businessmen and women, establishing or contemplating the establishment of a trading base in Azerbaijan.
To provide links with organizations in Britain dedicated to the development of Azerbaijan/British trade.

-To promote the improvement of Azerbaijan/British relations and to display to the local community and others the interest and commitment of British business to Azerbaijan.

-The Group shall not engage in any activity of a political nature.

In April 2001, the Group held its 5th Annual General meeting and has over seventy members, representing most of British companies registered in Azerbaijan and now includes some companies that although are not British, have substantial links with Britain.

The Group holds regular meetings on the last Wednesday of the month except May, June, August and December. There is no meeting May because traditionally the British bank sponsors a dinner on the Wednesday during the Oil Show week in early June, which last year was combined with the annual Anglo-Azeri Society Charity Ball, an arrangement that will be continued in the future. In August many people are in holiday and December, BBG holds its annual Christmas party, which has become one of the most successful events in the Baku social calendar.

The Group maintains a close relationship with the British Embassy and the British Ambassador who is honorary President, gives regular briefings at the monthly meetings. In addition, the Deputy Head of Mission attends committee meetings at the British Embassy Representative. The current committee consists of elected members of the Group, who fulfill the following functions:

Chairman Deputy Chairman
Honorary Secretary
Honorary Treasurer Events
and Social Secretary
Information Secretary
Compliance Secretary
Membership Secretary

The committee meets on the second Wednesday of the month and members' meeting are held on the last Wednesday. Most meetings are sponsored by member companies who provide a buffet super and are given the opportunity to inform the Group of their company's activities in Azerbaijan. A regular contributor in addition to the Ambassador, is Jacob Nell, an economist who is currently acting as an advisor to the Ministry of Finance and who keeps the Group informed of the current economic situation in the country.

The Group applauds the aims and efforts of Azerbaijan-Great Britain Youth Society and will continue to lend its support to assist it in achieving the Society's goals.
For centuries Baku was the centre of historical events. It was the main trade centre on the "Silk Route", the main player in Russian Revolution, and as a result it was the main part of the history of Soviet Union.

Azerbaijan always suffered from the increasing and decreasing of the regional stability, but in 20th century the history of Baku Oil dictated its hard past. We have wide information about Britain's interests in Baku and comparing our today's practice with the information about the missions in Baku, we can see changing nature of the region's history.

In 1555, a new Moscow company was established in London. In the years after the 16th century, agents were sent to Central Asia. From 1568 to 1574, six English missions were registered in Azerbaijan. In Caucasus impressions, Thomas Bannister and Jeffrey Decked described Baku in that period as following:

"An unusual oil is extracted from ground and it is used in all houses of country. It is black and called "oil". In Baku there is another kind of white liquid and it is very valuable, it is called "petrol".

This information was written 400 years before the other businessman the director of oil consortium ABAS formed in 1994.

The first oil boom

Baku oil is the father of the modern international oil industry. Large scaled oil production in Baku began in 1872, earlier than Colonel Drake's oil activity in Pittsburg (Pennsylvania).

In the last century in a very short period became the global centre of the international oil industry and most of the technologies that we are using today were invented in Baku. Besides Russian and European engineers joined to each other with the leadership of Nobels in order to form a fragile and cultural situation in Baku, which it possesses now.

In 1905, in London there was published a book describing these events. The book was composed by the famous British oil journalist of his time Jeffrey Dalet Henry whose observations are achieving resonance now event after 90 years.

He wrote: "12 months ago a person who had no information about oil, was unaware of Baku. Today Baku is familiar to millions."

Four months ago while forming ABAS few people outside Azerbaijan were aware of the news happening in this sensational city. It was very hard to come here because there were no airlines to Baku besides Russia and Turkey.

Recently British Airways was boasting that "We are flying everywhere, from Aberdeen to Azerbaijan" but now there are many transport planes. As addition the current in Baku air the general context for British and USA TV and international press.
Rich resources

In 1905, J. D. Henry wrote: "The Caucasus practically is supplied by nature with inexhaustible mineral resources. We are near to the period when this region will be disclosed to foreign investors."

The oil competition repeated after the ABAS investors in 1994 signed a contract likely to be "the Contract of Century" by Azerbaijanis. Henry added: "Azerbaijan government is eager for the contribution given in the oil development and presents very important concessions."

We see the second sign in the oil strategy of President Heydar Aliyev the main establishment of the international alliance which is the important thing for the security of independence of Azerbaijan.

British oil administration

Such comparisons with modern period is demonstrated in a more dramatic while looking over the stormy events reaching the culmination point again in the first republic known as Azerbaijan Democratic Republic and existed for a short period.

It's a pity that the republic was put to an end with coming of Red Army to Baku, in April 1920, and Baku was captured with the purpose of using its oil as a source for the socialist revolution. The 26 Baku Commissars were executed a very short time before.

The appointment of General V. Thompson, an officer of the British army, to the part of the organisation called British oil administration was the part of this great history on 17th November 1918. It wasn't a welcome appointment not in Baku or outside of it. But most of the menaces which General Thompson met were reintegrated when after 80 years ABAS began its first high profiled oil project.

The British Oil Administration was the element of the dramatic events, which was the last trait of the "Great Game" played ruthlessly.

But the practice lessons got from the first British oil initiative includes very important information for today. General Thompson's report about the events in 1918 are in archives of foreign Office and reading of these documents throws right on many things today. He described with a great exactness what was demanded from him to stabilise economic situation and increasing chaotic potential.

A system collapsed

Many works have been written in which the heroes' and spies' stories are dominating about that period.

Thompson's observations were more practice: Trade in Baku stopped and as the result of stagnation ships and railways became entirely worthless. That's why thorough reconstruction is necessary and this duty must be done in the following fields: banking, labour, transport (railway) and oil.
The same words could be written the first oil operations began in December 1994 in Baku. At the beginning of the 90s the second republic met the same menaces the first republic met. Baku was suffering from the failed economy, which was the result of the collapse of Soviet Union (it is still so).

General Thompson was faced with the problem of stabilising the economy. The main recruitments that he faced with were to establish the strong and reliable bank system. But he was writing: "The political situation in Baku doesn't let the opening of Permanent British Bank in any time, because this can raise the jealousy and doubt to the intention of Britain."

The chief executor of the Near East British Bank in Baku can use the same ideas when the formation of the strong international banking sector for the second republic becomes the matter of priority.

The oilmen

General Thompson noted widely and profoundly reporting on the local situation concerning the labour: "No labour earning in the railways, plants and in the field of oil is paid. The labour of Caspian Trade Fleet and port are in the same condition. The attention must be paid to this in a very short time. An agreement providing the workers with cheaper food must be gained."

SOCAR (the State Oil Company of Azerbaijani Republic) and the Cabinet of Ministers met the problems in 1994. After the collapse of Soviet Union the raise of hungry and unpaid labour force was very frequent.

But in 1918, General Thompson could add these: Generally speaking Azerbaijani are industrious and you can see few Muslims idling in Baku. The same state of mind existed in Baku 80 later.

The oilmen's tolerance and patience in any part of Baku and Azerbaijan required respect. The first oil draft of ABAS could not be finished in time without their diligence, royalty and experience.

Transport lines

Returning to 1918, afterwards General Trousers aroused the question of railway workers, especially the question of railways between Baku and the Black Sea. He described the situation in the Caucasus corresponding with the current situation: "There was always competition between Azerbaijan and Georgia. The first (Azerbaijan) possessed the oil of which the railway station depended, the latter (Georgia) possessed workshops realising railway repairs."

There was a great need for regional corporation. It is a great pity that the first Republic this was not expected fortunately in the economic and political activities of Azerbaijan and Georgia in 1990. The possessed real unity of purposes supported by the respectful political liders- in Baku President Heydar Aliyev and in Tbilisi, President Shevarnadze.

General Thompson gave a special attention to the question of oil and to the special importance of keeping in use the oil pipelines going to the Black Sea. The
pipeline operations were stopped due to the dispute over the tariff between Azerbaijan and Georgia and as a result the pipelines were damaged.

But the pipeline was repaired and is in the state of usage. Due to not paying for oil, the oil filling was stopped for Georgia. As a result the works stopped in the wells and storehouses.

In different times the stoppage of the oil was considered as a political award by Germanic, Britain, Russia. But it is quite different story.

**Regional instability**

The need for mutual cooperation on pipelines between Azerbaijan and Georgia in the repeated topic in Baku oil history in the 20th century. Undoubtedly this is also truth as Caspian J. D. Henry wrote in 1903: "Although they are parted by the Caucasus Mountains, the Caspian part in Baku and the Batumi oil part in the Black Sea was newly constructed and this is connected with 600 miles long pipeline carrying the oil to foreign markets at the end of the year. But at present one thing is obvious that if not both of the parts, one of them will suffer of the political process, progress and of the other problems in trade centres."

This part reflects the problem that ABAS faces today. ABAS, by going from Azerbaijan and Georgia, renew the pipeline route going to super terminal in the Black Sea. The very unsolved Karabakh conflict forming danger for security and stability in Caucasus is going on and also the simple Baku workers are waiting their honest wage.

In the 20th century the Karabakh problem was a special conflict for Azerbaijan. In 1920 it has played a great role in the collapse of the first republic and creating danger for the stability of the second republic. In March 1920, the beginning of the ethnic conflict was a great concern for British diplomats in London. The remarks of the Ministry for Foreign Affairs express the serious attention given to the initiatives that can influence in solving conflict:

"A strong protectorate is desirable for Karabakh. We can begin with the exception of Russia, England and Italy, we can't trust their permanent participation. Then France, USA and few small Europe countries remain. A mandate for the USA is more advisable but there is a little hope for their taking advantage. That's why the best hope for the solution of the problem is being with French."

This diplomatic note was made on 13th May 1920. The comparison of the initiative for the new solution of the Karabakh conflict of the Minsk Group of the OSCE was stuck.

The comparison with past is very obvious for the comfort. In 1905 far-sighted Henry was observing: "Practically the main desirable thing for returning back the prosperity of is durable peace, not a contract that can suppress a dispute Caucasian fanatic races, but a real and permanent peace supplied by military forces together with foreign investment, giving contribution to the exploitation of the oil resources in the region."
The banners continue the trade

The oil history of this country in Baku displays the repetition in a very important scale. That's why the reader can ask, is there any fundamental changes between structure of the First Republic after World War I and the situations that today the second Republic faces? The answer must be "yes".

President Heydar Aliyev's role and the importance of Azerbaijan oil strategy had already been noted. Unlike General Thompson and his contemporaries, President Aliyev and his administration arose the question of the fundamental need for creating stability in Azerbaijan oil industry and supplied the principle of "The banners will continue the trade" this policy was very successful.

Oil industry strategies were resulted with the establishment of the alliances possessing the leading capital all over the world in USA, Russia, Britain, France and the regional interests were represented by the direct presence of Turkey and Iran and the interests of East Asia was represented in 14 contracts of the Share Production Agreement.

Caucasus still has to live with its historical heritage, with area and ethnic tensions. But it was substituted with the importance, the USA, European Unions, Turkey, Russia and Iran won its confidence as investors. It seems economic and political realities were substantially changed in the region and opposite to the Russian Federation, Azerbaijan experienced the reverberation of the international processes following the other oil boom.

Here it would be right to remember General Thompson's last words: "The general situation in Azerbaijan is wholly depending on Baku. Due to its oil resources this city possesses a more great prestige comparing with its size."

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CHAPTER III.
SCIENTIFIC, CULTURAL AND EDUCATIONAL
RELATIONS BETWEEN AZERBAIJAN AND
GREAT BRITAIN

1. THE ANGLO-AZERI SOCIETY

The Britain-Azerbaijan Society was founded on 24th November 1997 in the Oriental Hyde Park Hotel in London, after the international conference conducting under the theme: "Possibilities of business in Azerbaijan" at which more than 1,000 businessmen and governmental officials took part.

Participants such as the Assistant of the Prime Minister of Azerbaijani Republic, Abid Sharifov, the president of the State Oil Company of Azerbaijani Republic, doctor Terry Adams were also witness of this important historical event.

Without feeling any needs for evidence as much important event for governmental independence of Azerbaijan for establishing of British-Azerbaijan Society, without giving comments it's enough to pay attention to some stages of activities of realising (putting into practice) for the short term which went through since the day of creation of this organisation for being understand usefulness of it's creation, activity and future development.

The main goal the society consists in development of cooperation in the trade, cultural and educational fields. Have repeatedly been in Azerbaijan as former Minister of energy of Great Britain Tim Eggar appearing at the constituent conference of the society in the role of leader of the society declared that: "The special relation between Azerbaijan and Great Britain create great chances for the both of the countries, there are great possibilities for the trade, investment of capital, cultural and educational exchange."

He noted that confirmation of the new organised Azerbaijan-British Society became possible in the result of joint cooperation with Azerbaijani embassy in Great Britain.

In the end Tim Eggar declared with noticing, that without help of Azerbaijani embassy in Britain the being and activity of organisation were impossible.

The ambassador of the Azerbaijani Republic in Great Britain guardian of the society, played particular role in forming Britain-Azerbaijan Society, Mahmud Mamed-Kuliev speaking at the constituent conference of society denote that Britain-Azerbaijan Society is in strong to play particular role in development relations between two countries. These thoughts justify themselves in Society's activity.

In periodical publications and even in scientific researches the forming of Britain-Azerbaijan Society uniting in itself nearly 40 natural persons, was appreciated as appearance of Azerbaijan lobby in "Foggy Albion". The forming of such
thought was not baseless.

At the constituent conference Tim Eggar declared: "We shall devote to bring to Britain society and Britain Government the position of Azerbaijan. We shall not satisfy with forming of the lobby and shall keep in attention other problems of Azerbaijan."

On 13th January 1998, at their first official meeting society passed the plan of the actions for the current year. From the first day of society formed society members, got encouragement and sponsorship of more than 30 British companies, functioning in the field of oil, bank, insurance, construction and relations, at the indicated first conference came to the agreement for Constitution beneficent founds for help to the functioning in Azerbaijan non-governmental organisation.

From the time of founding of the Britain-Azerbaijan Society function in the direction of development cooperation between the two countries. From this point of view, with the goal of informing the Britain companies and businessmen with the being economical opportunities and about future economical perspective in Azerbaijan, the great meaning have lectures which were read by former president of Azerbaijan International Operating Company, Terry Adams on the theme of "Development of Baku's oil: risks and opportunities", by British lawyer Alima Baji, "Put into practice business in Azerbaijan", by Professor Tadeus Svetokhovsky, "Modern Azerbaijan in democratic crossroad and history", "Control over the sphere of the private Banks in Azerbaijan and Economy of Azerbaijan" by member of the "Trans Border Service" company, Philip Daniels.

The famous art statesmen of our republic performed with the concert programme at the cultural meeting on the 29th-30th April 1998 In "Kensington Town Hall" organised by the British-Azerbaijan Society and the Azerbaijani embassy in London. Nearly 300 spectators observed professional appearance of Azerbaijan masters.

On 20th July 1998, the Society organised the meeting in honour of official trip of the President of Azerbaijan Heydar Aliyev to Great Britain. After the meeting there was the banquet with participation of 12 leaders of companies, sponsored by Society, including high rank State officials as scientific, energy, industrial ministers, and members of parliament.

On 25th September 1998, the British-Azerbaijan Society organised a meeting in London's "Royal Garden" Hotel in honour of 80 years of the Azerbaijani Democratic Republic. The part of the collected, from the charitable box, affinities in 24,000 pounds were pass to the functioning in Azerbaijan British Society of Red Cross.

On 23rd 1999, at the meeting acquired resources, 12,000 pounds were passed to the coordinator of the "Leonard Cheshire" centre.

Note: In 1948th yea?- was founded "Cheshire" house for disabled people by Lord Cheshire. Now the?-e are 130 functioni?ig disabled people's homes in B? itain, and ino?e than 200 houses in the world. In 1996, the “Cheshire” house began its activity in order to satisfy the require??ie?its of the co??flc victims and disasters.
and at the surgery branch of London University was found "Leonard Cheshire" for showing help to the conflict victims. The first activity of the Society in Azerbaijan became assistance for showing the first medical and surgery aid to the need refuges and IDPs in the "Fast Track" programme’s frames. The centre that supports cramped relations with the local doctors shows financial help to Azerbaijan children collided with the death and long term disability risk. Centre assigned resources between 30-150$ to every disease is the only organisation in this field.

On 27th January 1999, Karnelis Wittebrod, the head of the commission on the Caucasus and Central Asia gave a lecture on the theme of "Azerbaijan as the partner of European Unity" in Azerbaijani embassy in Britain.

On 24th February at the usual seminar of the Society Philip Daniel, Counsellor of the Financial Minister of the Azerbaijani Republic, read a lecture on the theme of "Azerbaijan; Well founded economical reforms in Azerbaijan" in connection with the anniversary related with the bloody tragedy perfective in Khojali by Armenian separatists.

The British-Azerbaijan Society together with Azerbaijan-Turkish issued collection "The Massacre of Khojali - 1992" in English language and spread them between 55 accredited in London embassies, British-Azerbaijan Parliament group, other political and Non Governmental Organisations and also between print organs.

On 23rd March 1999, in the embassy of our country in London British- Azerbaijan Society leaded ceremonial meeting related to the Novruz holiday. At the holiday ceremony there was also presentation of the magazine related with the trip of the president Heydar Aliyev to the United Kingdom, prepared by Azerbaijani embassy in Britain and "Anglo-Caspian Service".

On 6th June 1998, the Vice Minister of Foreign Affairs of Azerbaijan Araz Azimov in the frames of the trip to London spoke with the theme affect bilateral relations on security, forward the members of British-Azerbaijan Society.

Between the meetings led by Society in 1999, the main role had the meeting organised by British-Azerbaijan Society with participation of the political men, in the heading with the chairman of parliament groups of all parties (All Party Group). To the meeting were invited representatives of all sponsoring companies.

The second year charitable meeting of British-Azerbaijan Society led on 24th September 1999. At the charitable meeting took part nearly 190 companies. Collected benefit (11,000 pounds) were used for buying necessary things of the children's house in Shuvalan village and for disable people necessities.

At the time of the leading on the 11th-15th October 1999, in Baku cultural week under the title "Look over British culture". Society sponsored for several meetings.

On 19th October, British-Azerbaijan Society organised official admittance in the Karvansarai complex in Baku. Besides the Society's members at the banquet took part official Statesmen of Azerbaijan and the Minister of science, energy and
industry of Great Britain.

On 7th December in the same year the British-Azerbaijan Society organised the meeting with the British Institute of the Royal United Service. At the meeting made a speech the State minister of Great Britain Keith Vaz. This meeting became the continuation of the led conference under the name "Azerbaijan into the 21st century".

On 20th January 2000, Tim Eggar was elected for the third time as Chairman of the British-Azerbaijan Society. Speaking at the general meeting of the Society, Mr. Eggar thanked the members of Azerbaijani embassy in Britain and noted, that without their help the activity of the Society was impossible.

The chairman also noted that the main line of the programme of Britain-Azerbaijan Society for 2000 will compose development of relations with high statesmen of Azerbaijan. Tim Eggar declared to the Society members that in the sent to his address letter of Heydar Aliyev estimated the work of Society into the approaching business of two countries.

At the meeting the new members of the Executive Committee were elected. Later spoke ambassador Mahmud Mamed-Kuliev thanked participants of the British-Azerbaijan society said that he was pleased with the activity and achievements of the Society, as their goal is support of Azerbaijan-Britain relations.

Also the ambassador noted that Azerbaijan was not only an oil country, and hoped that Society will wide through light upon general knowledge about Azerbaijan-British press.

There are great number of investments in Azerbaijan and they must widely light in British press. Later he noted that it will be good idea to write the book about the history of British-Azerbaijan relations for reducing it to the future generations.

The bill of the collected from the charitable meeting resources were hand over to the two charitable Societies to Rainy Spite from "RSL" company and Sue Bechelu from the "UAA" organisation.

On 4th February of the same year at the Balmoral Hotel in Edinburgh a banquet was given in honour of the Minister of Foreign Affairs of Great Britain, Malcolm Rifkind. He gave a speech for the participants of the meeting, noting the importance in development British-Azerbaijan relations and mutual trips of the state ministers both of the countries and also noted that such trips will give the push to the economical interests of British businessmen to the region.

At the banquet organised by the Society's initiative in honour of the trip of the Ministry of Foreign Affairs of the Azerbaijani Republic Araz Aliyev to Britain, which took part place on 8th March, the objects of discussions became the main problems connected with Azerbaijan.

At the meeting he noted that at the time of the president Heydar Aliyev's trip to Great Britain in the middle of June 1998 at his negotiations, business meetings with state, governmental and businessmen comprehensive questions about the organisation of the cooperation were considered and about the possibilities of their widening were discussed different variants and projects about possibilities
of this European country to show technical and financial helps to Azerbaijan.

In the week of 15th March, at the House of Commons, the All Party British-Azerbaijan parliament group led Joint meetings according to the Novruz Holiday celebration (the holiday of the spring).

At the holiday celebration, where more than 100 guests took part, the chairman of the group, George Bruce, spoke about regional cooperation and noted the intentions of the further comprehensive relations of British-Azerbaijan Society on behalf of Society. At the celebrations the respected Secretary Susan Crouch also made a speech.

Making a speech about bank activity in Azerbaijan on 26th April, the director of the European Bank of Reconstruction and Development, Lindsey Eorbes, said that Azerbaijan was situated in the most advantage economical region and there are wide possibilities for creating and accordingly reducing the long term and regular model of development of political relations and rights.

On 17th March the member of an energy company. Bob Martin, gave a lecture for the members of the Society on the theme "Description of the oil and gas project of Azerbaijan in 2000". Rob Martin, speaking about the construction of different oil-gas pipelines, gave explanations about perspectives of development in this field.

The third year, the charitable meeting of the British-Azerbaijan Society began on 7th June 2000 in the Hyatt Regency Hotel in Baku.

At the charitable evening more than 400 people took part, among them high statesmen of Azerbaijan including the State minister of Great Britain, the member of parliament Brian Wilson.

The participation of so many guests in comparison to the previous years was not fortuitous. More guests who came at the "Khazaroilgas" international exhibition conference on 1994 year in Baku took part at this meeting. It's necessary to note that all the tickets for the charitable meeting were sold out.

The leader of the British Business Group Robin Bennett said: "We knew that we would gain big results at the expense of came at the people and companies to the exhibition, but in no way we could rather think that all tickets will be sell so marvellous and quickly."

He expressed his gratitude to all the sponsors of the meeting. Part of the money collected at the meeting - the sum of nearly 50,000 dollars - were transferred to the account of the Baku International Women's Club. These resources were used for the improvement of the heating and sewerage system of the orphanage in Sarai village.

Note: Bounded in September 1994, the Baku International Women's Club functions for making a friendship development and mutual cooperation between the women of the different nationalities. In parallel with this the Society has social meetings for carrying out the humanitarian activities of the club, for example the needs of children in orphanages in Baku. The International Women's Club in Baku takes care of the Seventh Children's Home and the Children's Home in
Sarai village. Here 140 mentally and physically disabled children are educated.

On 21st June 2000, under the initiative of the Azerbaijani embassy in Great Britain, a concert was given in London's Kensington Town Hall with the participation of an Azeri jazz group "Bakustic".

On 6th July, the British-Azerbaijan Society together with the British Trade partners organised a banquet in honour of the arrival in Great Britain of Abbas Abbasquliyev, Deputy Prime Minister of Azerbaijan for participating at the conference on the theme "Possibilities of investment of Azerbaijan in the Food and Agriculture".

On 18th October 2000, the member of the law company "Baker and McKenny" Daniel Moteys read the lectures to members of the Society on the theme "New lawful system for the market economy of Azerbaijan".

Concerning the tax reform in Azerbaijan, he noted that we had got definite success from the law's point of view. There are optimistically possibilities for economical development in Azerbaijan.

At the annual general meeting of the Society held on 30th January 2001 after a report about activity of the Society in the last year, the Chairman Tim Eggar revealed the essence of the current year's programme and good work of the 2000 year and especially noted importance of the keeping such rate in the current year.

The next members of the committee Susan Crouch, Susan Wittebrod, George Riches, Namig Kamr.anov, Fergus Robertson and Neil Munro were elected again and went for the retirement substitute by Richard Dion (Shell International) Rita Luketa (HSBC Bank), Kenneth Forrest ("Trade Partnership" company), Richard Smith (BP company).

Tim Eggar thanked all the members of the Azerbaijani embassy in Great Britain again and brought to their notice the agreement of the Extraordinary and Plenipotentiary Ambassador of Great Britain in Azerbaijan Andrew Tucker for the participation in the Advising Committee of the Society that devote with increasing work of the Society will be possibilities, noted importance of the changes between leaders suggested to realise functions of the Chairman to Lord Peter Fraser.

Lord Peter Fraser visited Azerbaijan several times, and once worked in the post of Energy Minister of Great Britain and having special interest for the business here, unanimously was elect as the Chairman by the decision of the joint year meeting of the Society.

At the meeting curator of British-Azerbaijan Society the Extraordinary and Plenipotentiary Ambassador of Azerbaijan in Great Britain Mahmud Mamed- Kuliev thanked for successful activity of all Society's members with Tim Eggar at the head.

Later the ambassador gave detailed information to the participants of the meeting about the ways of solving the Nagorno-Karabakh conflict in the result of the occupation of the part of the lands of Azerbaijan from the direction of Armenian armed forces, about economical success in Azerbaijan about the
acceptance of Azerbaijan to the European Union, about the creation of the Oil Foundation, about main export oil pipe line Baku-Tbilisi-Ceyhan.

At the end of his speech, the orator expressed hope that British-Azerbaijan Society, Azerbaijan-British Trade and Industry Union and British-Azerbaijan All-Party Parliamentary Group and in the future will execute the most important work for developing of comprehensive relations between two countries.

In the activity of British-Azerbaijan Society, it's impossible not to notice the meaning of the press organ of these organisations, collection "Azeri Times". The collection prints six times a year distributes to all the members of British- Azerbaijan Society free of charge.

Besides the theme of British-Azerbaijan Society relations, the Azeri Times prints interesting reports about the different sides of political, economical, social and cultural life in Azerbaijan, the readers acquaint with perspective development of the spheres of Industry and Trade. Questions relate to the internal and external politic of the country.

Here also mark out special part related with the events happens in Azerbaijan equally with the lighting financial, bank, agricultural, medical and transport news in this part, acquaint the readers with the leading political economy in the country, taxes, privatisation and game press, news play important role in increasing of the interests of British businessmen not only in the oil sphere, but also in the other spheres of economy.

There are issue articles in the Azeri Times about thoughts of the famous British Social and political figures relate with Azerbaijan. In the collection stand out places also to the topics relate with Azerbaijan culture. Published article about world-wide famous Azerbaijan singer, master of Mugham music Alim Gasimov though in absentia bring to the readers notice richness and amazing beautifulness of Azerbaijan's national music.

Note that article, issued in the British Daily Telegraph newspaper under the title "Voice from the East sets the world alight" was issued in the Azeri Times with permit of that newspaper, also proves not indifferent attitude of English people to Azerbaijan's musical culture.
The British Council has a great role in consolidation and development in the sphere of science and culture between the Azerbaijani Republic and the United Kingdom of Great Britain and North Ireland.

The British Council, the curator of which is Her Majesty the Queen, is the main organisation creating science and cultural relations between Great Britain and foreign countries and is represented in 243 cities in 110 countries around the world.

The Council realises the functions of the culture department of Great Britain embassy's function in foreign countries. Its function depends on the country, but this activity is involve in the next:

- help with the education and study of the people, creation of the professional relations with Great Britain
- preparation of high level specialists and realisation of the joint projects abroad
- help with the studying of English Language and its usage - supplying a library and Information Service - development of education, science and technology in Great Britain - dissemination of British Art and Literature

The aims of the organisation are:

- increasing authority of the trust supporter of the United Kingdom - make famous the British Council as the most effective and international organisation of cultural relations

The British Council is the organisation finance by the Department of International Development and Ministry for International and United Affairs, which have not any profits. The organisation has 222 information centres worldwide and 340 thousand library members. There use more than 8 million books, audio-video cassettes and other equipment like this.

The Council watch for the leading English Language Courses in the Foreign Countries according to the high level, provide with the information about interests of the people at their special Internet cite with the "Learn English".

The British Council leads seminars, meetings of the work groups, debates and other meetings on the theme of art, literature, design, education and trainings, teaching of English Language, state and human rights and etc. in the countries where it's functioning.

Before touching on the activity the British Council in Azerbaijan must specially note the strategy of the organisation by creation supporter in developing countries.

To the relate of the following sides of activity:
- to lead the training projects in the countries which lead economic reforms, with the aim of creation cooperation between colleagues in the field of management with business people of Great Britain.
- with the aim of use the local and international supporters there is creative directions of the informational centre in the country.

The British Council in Azerbaijan became functioning in 1993 with the help of alliance "BP-Statoil". Signed on 23rd February 1994 between President of Azerbaijan Heydar Aliyev and Prime Minister of Great Britain John Major agreement about cooperation between Britain and Azerbaijan in the field of education, science and culture, put juridical basis of the cultural cooperation and after it the British Council made wide it's activity in Azerbaijan.

At the basis of the 14th point of agreement ,the British Council must be mediator of the Government of Great Britain in cooperation between two countries in the field of education, science and culture from the period of acquaintance and understanding, of integration between two countries.

The fruitful work of the British Council in our Country also estimated in the joint statement signed on the 21st July 1998 year by the president of Azerbaijan Heydar Aliyev and the Prime Minister of the United Kingdom Tony Blair.

In the 10th point of Statement noted:
"Both of leaders especially recognise the expanded activity of the British Council in Azerbaijan involving the study of the English language, education, science, technique and culture. The British Council in Azerbaijan functions in general by the following directions:
- seminars with the aim of development of the teachers
- financing of the lead summer courses on the improvement of English Language teachers in British schools
- study for companies and NGOs on management
- informational exchange about the meetings in the fields of art and science
- providing service of information and library
- organisation of seminars about modern art, culture in Britain, education in Britain, the bank operations
- financing education and trips of the specialists to the other countries in the field of control quality in the centres of education of English language and education
- editing of the text books for studying of English language
- presenting books about methods of study for the teachers of English language courses, dictionaries and informational books to state and non-governmental organisations concerning with education of English language
- finance of the meetings in the field of art. The British Council is the only centre, which has the right to organise exams in English language of Cambridge University from the 1913 year suggest most detailed exams. Between the British Council and the local exam syndicate of Cambridge University from 1940 exist long-term co-operation.

Located overseas Centres of the British Council give influential certificates of the local Exam Syndicate of Cambridge University to successfully finish. Usually these certificates present British ambassadors. It deserves note that cer
tificates of Cambridge University are accepted, as the document shows perfect of English language in the many places of the world.

From the first years of activity the British Council gave its benefit to development of education of the students. So in the first month of 1994 to finished the courses of Management were present proper certificates and especially differed win possibility to continue their education in Trent University.

In general, over the past time the British Council took part in innumerable quantity of the meetings or at the organised by themselves by the initiative of the Council in such fields as art, education, studying of English language, society management.

Undoubtedly in the number of this meetings by its level of education and wide-ranging the main place take leading on 11th-17th October 1999 under the motto "Vision of Britain", "British week" and these meetings had particular meaning.

In the frames of the week by the Ministry of External Trade of Great Britain in Baku was organise Joint-Britain Trade Exhibition and also in Baku, Ganja and Sumgayit were led different cultural and sports meetings.

In connection with the leading of the week "Vision of Britain" in Azerbaijan ambassador of Azerbaijani Republic in the United Kingdom and North Ireland Mahmud Mamed-Kuliev, who sent the congratulation telegram to British friends touch upon a meanings of the meeting noted one of the leading Industry Government of the world, to march by appeals of the new millennium, show effort for attainment of the new success in increasing of rivalry of the nation as in economy though in society.

"I believe that led meetings in the frames of the week will give the good possibility for perception and opening of Azerbaijan people, for success of this large nation in the fields of Industry and culture," he said.

"In the frames of the week we very high value the leading of some cultural and sport meetings not only in Baku, but also in other regions of Azerbaijan, especially in the refugees camps. Because of this I invite my people to the active participation and get pleasure from this rich and voluminous programme."

"At the Trade Exhibition, led in the frames of the week 30 companies and firms took part, services dealing with producing of the clothes, shoes, products, medical drugs, building materials, personal computers and others.

In connection with British week the ambassador of that country in Azerbaijan Roger Thomas at the press conference noted leading of common British Trade Exhibition, said that initiative person of the Exhibition the Ministry of the External Trade of Great Britain organises Exhibitions so that not only businessmen but also the simple people of Azerbaijan can get information about British business.

According to the cultural programme of the week, for seven days British film were shown at the Azerbaijan cinema. An art exhibition on the theme the new millennium was displayed, there were performances of British musicians.
Azerbaijan State Symphonic Orchestra, British Jazz Group, Scotland folk-rock group.

And in the sport part of the meeting, led football tournament between refuges' commands and IDP and the direction of the specially invited trainers by the line of the Youth Sport Foundation of the Great Britain between numerous programmes of the British Council's Chevening Programme.

This is one of the most important and interesting programmes for Azerbaijan. The grant of the Chevening is the authority present which gives possibility to the overseas students to study in the United Kingdom and finance at the expense of the Ministry of the External and United Affairs.

Grants are yielded in more than 150 countries. For the British Chevening grant the candidates select by overseas companies of Britain and from the places and by the Higher Commission. The Chevening grant is named after the Chevening building in Kent, where situates official residence of the Secretary by the foreign and State Questions. Programme directs for being leader in the future or selecting the youth having potential in making decisions. Realising in Azerbaijan from the 1994 defined nearly 24 premiums until today.

Speaking about the activity of the British Council in Azerbaijan must be specially note the library functioning in the Council. Besides more than 1,000 books, more than 3,000 audio-video cassettes, also provide with newspapers and brochures, publish in Britain.

In Azerbaijan-British relations the British Council can be call organisation realising the particular part "Public Diplomacy" and it's necessary to note that at the time of it's activity Union gave the historical push to development and science cultural relations between two countries.
3. The BBC

"The world must speak about peace and well-being."

From the beginning of activity founded in 1936 as BBC Worldwide Service, BBC i.e. Corporation of British Programmes, at the present times regard as one of the most famous recourses of the mass media in the world.

The organisation is financed by decree of the King at the basis of its rules and without fail Staff of the Leaders of Corporation consist from Chairman, Deputy Chairman, each of National Executors of Scotland, Wales and North Ireland appointed by the Queen's advise and carry responsibility for each aspect of the programme.

BBC prepares Broadcast programmes for Great Britain as regional so being belong to the broadcast channels, for Scotland, Wales and North Ireland. Entered into the force in 1996 year Royal decree gave to the Corporation rights for the 10 years function term as social-informational Service of the United Kingdom and provide with the special license.

According to the points of decree, as the basis of the company's goals besides amusing, educational and informational programmes, to the corporation have given right to lead and develop commercial activities not only in the private sector of Great Britain, but also in other countries.

BBC divides to the following directions of activity:

- BBC Broadcast
- BBC Worldwide
- BBC Production
- BBC News
- BBC Recourses

For the 1998-1999 years the sum gained by BBC from commercial activity of BBC consists 2 billion 155 million dollars. This includes the selling of CDs and cassette programmes for television, providing advertisement service, organising of the exhibitions relate with the different programmes and others.

It must be noted that if BBC Worldwide Service finance by the Ministry of Foreign and Commonwealth Affairs. Television transmits 20,000 hours of programmes conducted in London's Television Centre and also in the six main Centres in Great Britain. The 25% of the programmes producing receipt on the part of the private sector.

In regional structure of the Network Radio programme show programmes 24 hours in a day for colleges, universities, schools. And sometimes the radio programmes transmit 42,000 hours in a year.

The main producers and distributors of the BBC Worldwide at the same time provide for commercial interests of the Corporation.

BBC Worldwide Service transmit its radio programmes in 43 languages including English and according to the calculations the number of its listeners come to 153 million people. BBC Monitoring functions at the Sector of International media transmitting in to English Broadcasting programmes from the more than 150 countries plays role of the main resource of information of the Corporation. By the BBC
Monitoring use and other media services, state, science and educational organisations, commercial sectors and others.

In general operative analysis information from more than 3,000 radios, television and informational programmes transmit from the news agencies and appear with trust and impartial appearances BBC Monitoring comprising the BBC Worldwide Service.

The BBC and Azerbaijan

During Soviet times, the BBC Monitoring Service gave short information about what happened in the Caucasus events at the basis of SITA news agency, and also programmes from Moscow. After the Caucasian Republics gained independence, BBC Monitoring became spare more attention to the processes happen in these countries.

At the beginning of the 1990s, Great Britain allows for absence of the clear imagination about events happen in the region, BBC Monitoring discussed the possibility of the opening the East Caucasian bureau and for this Azerbaijan attracted more attention as the largest and rapid developing country of Caucasian Region.

Soon, the BBC began foreign language services for spreading news in the Caucasus and Central Asia. In 1994, the BBC began broadcasting daily morning and evening news in the Azerbaijani language and the Azerbaijan Service of the BBC was created.

In 1995 at the time of his visit to the United Kingdom, President Heydar Aliyev visited the BBC studio in Bush House in London and both sides valued the visit as successful.

The first relations between the BBC and the Azerbaijani Republic should be discussed here. Though in the first part of September 1992, the leader of the International Informational Service arrived in our republic, being from the East Azerbaijan by birth our fellow countryman Shakrizad Khorashian visited the State Informational Agency, Azerinform, and led several meetings.

At the meeting between the BBC and Azerinform leaders were speaking about cooperation in the information area. Also then by gained agreement, information about socio-political and economical life of Republic about aggression of Armenia against Azerbaijan prepared by Azerinform BBC must operative spread information by its numerous channels of the mass media to the different countries in foreign language.

Of course in its term it plays the large and important rote for spreading Azerbaijan reality worldwide. In 1995-1996 Shakrizad Khorashian visited Azerbaijan with the goal of looking for possibilities of the future actions.

On 20th March 1996, the president of Azerbaijan Heydar Aliyev met the representative of the BBC, Shakrizad Khorashian. At the meeting, Shakrizad Khorashian asked the president Heydar Aliyev for the help in opening BBC office in Azerbaijan with the goal of collecting the news from the East Caucasian governments. She handed over a letter from the leader of the BBC Corporation to the president of Azerbaijan for this reason.

Left pleasure for led meeting in BBC office in 1995 year and declaring his sup
port for widening relations between BBC and Azerbaijani President Heydar Aliyev met these suggestions positively. The president of Azerbaijan, Heydar Aliyev, promised thoroughly help for opening BBC office by East Caucasian countries in Azerbaijan.

At the present time in Azerbaijan two regional departments of the BBC are functioning: BBC Monitoring and BBC Worldwide Service Centre and functioning their Asian-Caucasian departments.

The opening of the BBC Monitoring office in Azerbaijan took place on 11th January 1997 with participation of high-level officials of Azerbaijan and Great Britain. At the ceremony, the BBC was represented by the member of Directing Council of the Corporation Lord Lennox and director of the Monitoring Centre Andrew Hills.

Speaking at the ceremony the Minister of Foreign Affairs of Azerbaijani Republic Hasan Hasanov told that opening of the BBC Monitoring Service in Baku became possible after the meeting of the president of Azerbaijani Republic Heydar Aliyev with the leaders of the BBC at the time of his visit to London.

Representatives of the Monitoring Service said that their main goal was the operative spreading of all received news from the mass media of Azerbaijan, Georgia and Armenia to the entire world. And the necessity of opening a Transcaucasus centre is explained by the widening of the interest to this region. The leader of the representation, Anne Thompson explained the selection of the representative office in Baku rather than in other countries of the Transcaucasus. There are good technical conditions for transmitting of information in Baku and besides there work great number of western companies.

One of the merits of BBC Monitoring is spreading information from Transcaucasian countries with the help of high quality techniques by the internet and to other countries. With the help of BBC Monitoring it became possible to receive operative information from the all countries of the world for spreading in Azerbaijan.

Translated in English received brief news from Azerbaijani informational agencies leading press means, state and free Broadcasting Companies Monitoring Group light them in the form of bulletin.

For the past four years, the Monitoring Service published reports of some important events in Azerbaijan. To them can relate speech of the president Heydar Aliyev in 1997 at the "Chirag-1" platform in connection with the 1st extraction of the oil and also information made in October 1998, in November 2000 of the parliament speaker.

Besides in March 2000, the speech of the president Heydar Aliyev and other political figures at the discussions of Karabakh conflict questions in Milli Medjlis were translated. BBC Monitoring sent them to BBC Worldwide Service and their brief contents came to light in 44 different languages.

To the number of other events lighted by Monitoring Service relates trips of the president of Azerbaijan to: Turkey, the United Kingdom, the USA, French and Austria, the "Silk Route" Summit in Baku, admittance of the Azerbaijani Republic to the European Union and the trip of the president of Russian Federation Vladimir Putin.
So with the help of appointed different issues, brochures news BBC Monitoring reduce to the world society's attention information about Azerbaijan, its potential and present problems and increased the level of knowledge about our Republic.

Today, BBC Monitoring has gained large respect on the international arena because of its influence, impartiality and trust.

Its news service covers different topics: political questions, international relations, elections, international secure, terrorism, organised criminality, human rights, press, economical questions, energetic, industry and infrastructure, trade and capital investment, technology, environment and law.

After the opening in 1997 of BBC Monitoring Baku office, Azerbaijan BBC service also opened the office and small studio.

At the present time Azerbaijan Service for preparing news service and documental programmes of Azerbaijan and also for contributing its own mite Russian-language BBC Service make use of Baku Service from Azerbaijan. In 2000, the BBC started to broadcast on 1033 FM and this can be picked up in Baku, Sumgayit and Absheron. The Azerbaijani, Turkish and Russian services also broadcast on this frequency, as do English-language news and documentary programmes.
situated in Britain, the Azerbaijani Cultural Centre has functioned from 1995. The opening of the Azerbaijani Cultural Centre in Britain was held in May of the same year, at the time of the visit of the president of Azerbaijani Republic Heydar Aliyev to Britain for participating at the celebration ceremony in honour of the 50th anniversary of the victory of World War II.

At the opening ceremony the president Heydar Aliyev and his officials got to know with the art's works of Azerbaijani veterans of the Second World War in honour of the 50th anniversary.

The goal of creating Azerbaijani Cultural Centre regularly functions in Europe according to the features of the new Azerbaijan Society is to help for its democratisation, international economical and political system, and also for the more active informational world intellectual and aesthetic integration.

The opening of Azerbaijani Cultural Centre in London was with the close help and support of the embassy of Azerbaijan in Republic in Great Britain. The sponsor of the Centre was "Anglo-American Service Ltd" British company, taking into consideration the symbol of Azerbaijan heritage the symbol of the of the Exhibition Camps was choose the legendary bird "Humay Gushu" reflected on the antique Azerbaijani carpet.

One of the main aims of the Azerbaijani Cultural Centre in London from the beginning of the activity became to supply with the trust information about historical and nowadays reality of the republic, to help to inform the modern process in Azerbaijan and around it till the West Society, the wide agitation of the gained by the centuries progress of the national culture and removing of informational blockade around our republic.

The work of the centre has a multilateral character and include different directions, as: concert tours, exhibitions, competitions, symposiums, sponsorship activity of organisational and charitable character.

In 1995, the centre for the first time organised and sponsored the exhibition of Azerbaijan photographers in European Union in Strasburg, under the name "Azerbaijan today" devoted to the main theme: to the problems of aggression and occupation of Azerbaijan lands by Armenians, and also IDEs from Armenia, refugees and migrants.

The Azerbaijani Cultural Centre also is the regular participant of the charitable meetings organised by the Anglo-Azeri Society. It's necessary to note that means collected from these meetings hand over to fund of the help to the children orphaned in the result of the Nagorno-Karabakh conflict.

Every year on 20th January in the Azerbaijani Cultural Centre there are exhibitions devoted to the memory of the incursion of the Soviet Regime's Army into Baku and the people who died as a result of this tragedy, and also show the beginning of the new history in Azerbaijan, probably downfall of the USSR.

The Azerbaijani Cultural Centre in London had the role of organiser of the frequent concert tours of Azerbaijani composers and specialists had appeared in various genres and styles of traditional and modern music. The Centre helped in organising
the concert of the professor of Baku Musical Academy, Composer and pianist Firangiz Alizadeh from the outside of the Society of the Royal Philharmonic of Great Britain in one of the best concert's hall in London, the Royal Festival Hall.

The Centre organised and financed the concert Mugam's three arrived to London for the tour, new records of "Bakustic" Jazz ensemble, concert programme hold in London and devoted to the folk music, participating at the international competitions and symposiums of the young painters and musicians have appeared in art.

So the young sculptor Mahmud Rustamov with the sponsorship of the Society took part at the international symposium held in Oxford devoted to the decorative art. The activity of the Centre on organisation of the exhibitions is many-sided. There organised photo exhibitions devoted to Azerbaijan and modern Azerbaijani architecture.

The exhibition of the carpets of the national painter of Azerbaijan Kamil Aliyev exited great interest of London people. The great popularity in the hall of the Cultural Centre conquer the pictures of the national painters Kamil Najafzadeh, Altay Sadichzadeh. Malik Agamalov, the work of Azerbaijani painter lives in Latvia Arif Mageramov, and also sculptural works of Fuad Salayev, Akif Aşkerov, Natiq Dadashev.

Also here hold joint exhibitions of Azerbaijan-Turkmen, Azerbaijan-Kazakhstan, and Azerbaijan-Ukraine. The opening of each art meeting in the hall of the Azerbaijani Cultural Centre becomes the reason of gathering of representatives of the embassies in Great Britain, Azerbaijani embassy, Azerbaijani students study in

Staff of the Azerbaijani Culture Centre in London while seeing of President Heydar Aliyev (July 24, 1998)
England, high valued English people lovers of the East art, and large number of tourists.

The works of Azerbaijan painters use not only for demonstration, but also with the commercial goal. From here the art works sell to representatives of industrial enterprises, museums, to the private collections. The Azerbaijani Cultural Centre is situated near Tower Bridge in one of the most beautiful places of London taking its name from the Tower fortress. Here landed the legendary warship "H.M.S. Belfast", belongs to participant of the war Her Majesty the Queen.

Passing over Tower Bridge you will come to the "City of London" to one of the biggest financial and commercial centres of International Business. There is no quest in Great Britain, who has never visited museums situated around Tower Bridge.

In the day of the opening of arts exhibitions devoted to the art of Azerbaijan the flag of Azerbaijan wave over the door of Cultural Centre. In the same day besides the modern art lovers and journalists there gather people have co-operating and relative relations with Azerbaijan.

People who once visited "The Fire Lands" wait impatiently for new exhibitions for meeting old friends. In reality the exhibitions collect together the friends, not indifferent to the life of Caspian "oily” government and to it's events besides their real interests.

These people are the masters of art, painters, scientists, businessmen, representatives of humanitarian missions. London people with the pleasure visit the Humay Gallery and fall in love in its peculiar cultural world of many-sided indispensable works of art of Azerbaijani painters. The Azerbaijani Cultural Centre in London unifies longstanding friendship relations with the notable composer and master the late legudi Manuxinov.

In the day of the Centre's opening have been visited the Centre the stately modem figures of English culture and Science Alan and Sheila Mackay, became support relations.

At the time of the business visit of the President of Azerbaijani Republic Heydar Aliyev to Great Britain in November of 1995 in the hotel, where he spent the press conference, the Cultural Centre organised an exhibition on the theme of the oil coincided with the same time with the official visit of the president of Azerbaijan Heydar Aliyev to Great Britain. The President visited the exhibition.

Especially it's necessary to note that being one of the leading business and cultural centres of Europe and regularly functions in the capital of Britain, Azerbaijani "Cultural Seat" is the historical event. So none of the former Soviet Republics, and none of other developed Republic of the world possess such self-independent functions as the cultural organisation in Europe, as the similarity with such seldom analogue meet function in London Japanese house, Swedish Cultural Centre, Texas and Australian Cultural Centres.

Collaborators and founders of the Centre try to inform the people of other countries reality and beauty of their own Motherland take active stand and it gave them possibility to realise the main idea as the part of society to declare themselves to the world. The words said about the Centre by collaborators of Azerbaijani Cultural Centre is the symbol - a little piece of England that is forever Azerbaijan.
5. Azerbaijan-Great Britain Youth Society

The real goals are to show the help for consolidation the of friendship relations between Azerbaijan and Britain in the field of the youth, science, culture, spiritual, and in general overall. Azerbaijan-Great Britain Youth Society was founded on 2nd March 2000 in Baku.

The society established under the initiative of the group of youth and trusteeship of ambassador of Azerbaijan in Great Britain Mahmud Mamed-Kuliev and former ambassador of Great Britain in Azerbaijan Roger Thomas and in the same year on 10th November was registered by the Ministry of Justice of Azerbaijani Republic as International Non Governmental Organisation.

For several more time before establishment society several people of initiative group with the help of British embassy took part at the symposium "Attracting the Western investments into Azerbaijan" organised on 18th January 2000 by the "Ramco" company, met with the former British Foreign Secretary, the member of the Board of Directors of the "Ramco" company Malcolm Rifflnd and knew his thoughts and recommendations about founding Society.

At the establishing Congress of the Society in his speech the ambassador Mahmud Mamed-Kuliev noted his satisfaction because of the idea of Azerbaijan youth to establish such society and from the first day the diplomatic mission of
A gala ceremony organised by the Azerbaijan-Great Britain Youth Society on the occasion of December 31st World Azerbaijanis' Solidarity Day at Baku State University (December 21, 2000)

Azerbaijan in Great Britain Mamed-Knliev his head promised always support them in their activity.

The ambassador especially noted that during the six years Azerbaijan-British relations developed overall. From the point of Azerbaijan investment enclosure's view Great Britain takes the second place and Azerbaijan-British Youth Organisation contributed their might to this.

Having a speech at the end of the meeting the ambassador of the Great Britain in Azerbaijan Roger Thomas giving bless to the future of activity of the Society noted that Great Britain spare especially attention to Azerbaijan and it's not accidentally that most membership staff in region work in Azerbaijan. He informed that Great Britain needs to have friends all over of the world and established today Society one of them.

At the same time at the work of the Congress took part the Minister of the Press and Information of Azerbaijani Republic Sims Tebrizli. director of the British Council Andrew Thomas, the president of the "Ramco" company in Azerbaijan Mikhail Galkin, the leader of the social-political sector of the department of the Presidential Administration Aydin Mirzazadeh. the rector of the Azerbaijan University Salakhaddin Khalilov and others.

For the past year, the Society successfully functioned and become stronger under the regular care and bless of the ambassador Mahmoud Mamed-Kuliev and with the help of British friends.

So on 27th April 2000 the Azerbaijan-British Youth Society led the conference
in Baku State University on the theme "Azerbaijan and Great Britain into the new millennium".

At the conference with the introduction speech spoke the rector of the University Abel Magerramov, also spoke Professor Jagub Mahmudlu on the theme "Azerbaijan-Britain relations in the Middle ages", candidate of the historical science Sevinj Jusifzade on the theme "Azerbaijani-Great Britain relations: 1918-1920", deputy chief of the managing department of the Ministry of the Foreign Affairs on the countries of Europe, USA and Canada Perviz Shakhbasov on the "Azerbaijani-British relations at the present times", the first deputy of the British ambassador Linda Cross on the theme "Britain-Azerbaijan into the new millennium".

On 23rd May 2000, a seminar was given under the name "Fogy Albion" devoted to Great Britain and with the goal of familiarisation of the members of the Society, detailed informing about this country.

On 21st December 2000 in British State University led ceremonial meeting devoted to 31st December, the Day of Solidarity of Azerbaijanis all over the world.

At the meeting spoke the ambassador Mahmud Mamed-Kuliev, ambassador of Great Britain in Azerbaijan Andrew Tucker and his wife Judith Tucker, the chairman of British Business Group Robin Bennett, the director of BBC Monitoring Anne Thompson, the deputy of the parliament Sims Tebrizli, rector of the University Abel Magerramov and others.

On 2nd May 2000, was the first general meeting of the Society. At the general meeting trustee and showed for the past period the close help to the Society ambassador Mahmud Mamed-Kuliev was selected as the Honorary Chairman. At the meet-
ing also selected the chairman of the Society and the Executive Staff. At the present time the Society is functioning as follows:

- The Honorary Chairman
- Chairman
- Deputies of the Chairman (on organisational affairs, international relations, ideological affairs)
- The Executive Staff
- The Inspectional Provisional Commission Honorary Secretary
- Department of the International relations
- Informational Department Honorary Treasurer

On 16th March 2000, in the on Caravanserai there was a cocktail party on the Novruz holiday with participation of the British people live in Baku with the sponsorship Azerbaijan "Azpetrol Holding" company.

In April of the same year, the Azerbaijan-Great Britain Youth Society was chosen as the honorary member of the Anglo-Azeri Society. It's necessary to note that Azerbaijan-Great Britain Youth Society function in the light of the developed between two countries relations and proves relations between these two countries are so high that give developed and enough possibility to Azerbaijani youth to learn more about science, cultural, social, development of the business relations of this great country.
SUMMARY

The publication of this book in the real manifestation of the varied ties developed between Azerbaijan and Great Britain during the last ten years.

In that book simply basing on facts we tried to show the following:

Recently gaining independence Azerbaijan left the decisive period of its foilune, establishing its independence in the international political economical spheres, achieved his place.

Great Britain is also among the western countries supporting Azerbaijan in its difficult times recognising its independence. British government was among the counsel paying just visit to Azerbaijan, giving first helping and corporation hand to Azerbaijan.

The two visits of the President of the Azerbaijani Republic, Heydar Aliyev, were a firm foundation for the future joint cooperation between Azerbaijan and Great Britain not only In economic and politic field but also in the scientific, cultural humanitarian, social fields.

The joint declaration signed by the President Heydar Aliyev and Prime Minister Tony Blair in June 1998 gave a push to strategic intersession arising political links between the two countries to a high level.

As a result powerful social organisations like the Anglo-Azeri Society, Azerbaijan-Great Britain Trade and Industry Council, British Business Group, organisations propagating our culture in Britain like Azerbaijan Centre of Culture, scientific-cultural, British Council that makes a gift for the development of education ties, was formed.

So that, being one of the biggest businessmen organisations in Azerbaijan, British Business Group is one of the forces giving push to the leading fields of our national economy. British companies are functioning not only in oil and gas fields but also in the fields like infrastructure, communication, bank and finance, insurance, building, load transporting.

In this successful corporation it is necessary to point out the historical sendees of Azerbaijan embassy in Great Britain. Due to the initiative of the employees of the embassy and high quality of efficiency the economic relations between two countries rapidly developed and many necessary works were done for applying British investment to Azerbaijan.

So, with the initiative and guardiance of British embassy the organisations like Azerbaijan-Great Britain Youth Society were established, systematic works were done in the direction of organising British-Azerbaijan diaspora. Taking a chance we'd like to mention the contribution given to the development of the relations between our countries by Thomas Young and Roger Thomas, who have been ambassadors of Great Britain in Baku.

And to the Honourable Andrew Tucker who mentioned in his honourable work that: "to make a gift to our country, nation especially to our youth to get a wide Information about each other and to contribute them in this work and we are happy to see that as, young Azerbaijanis friends of Great Britain."

We express our gratitude to the people hasn't deny their opponimities forces, and time and help us in realising this fragile mission, especially, to the employees of the diplomatic mission of Great Britain in Azerbaijan.

Fern Horine, Sevinj Asadova to the director of the "Spearhead Exhibition " company, to Tamam Bayatri, the manager of the BP company, Almaz Gurbanov, the manager of HSBC bank, to Samira Malikbayova, the manager of "Ramco" company, to Margaret Morris, the secretaiy of the "Anglo-Azeri Society", to the sponsors of the project and generally to all companies giving contribution in writing his histoiiy and passing it to other generation and supponing the "Azerbaijan-British Youth Society": "Ramco" company, the British Business Group, to National Entrepreneurs' Confederation, SOCAR, Azerbaijan Diaiy Production, Azpetrol Holding, Improtex company groups and the Central Store Open Stock company.
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