

SEA SHIPPING : PORT OF AZERBAIJAN

Malak Novruzova

Meleknovruzova3@gmail.com

Azerbaijan State University of Economics (UNEC)

Baku, Istiqlaliyyat str.6, AZ1001 Azerbaijan

ABSTRACT

Maritime transportation is conceptually a form of transportation made with ships, ferries and other watercrafts. It is mostly used in international trade and logistics.

The history of Maritime transport dates back to ancient times. In 3200, B.C. the first examples of maritime transportation were coastal boats used by Egyptians. On the other hand, Vikings were the ones who open up to oceans and increased the commercial maritime transportation to the closest level of current situation.

In the development of maritime transport, the discovery of new regions with geographical discoveries and industrialization, as well as the introduction of steam technology on ships have had an important effect, making it possible to build ships that can travel on long routes and have more cargo transportation than in the past.

The development of sea transportation in Azerbaijan is related to the Caspian sea. From the past to the present, Caspian has always attracted the attention of border states as a great fortune.

The purpose of this research is to examine the international maritime transport situation in general, and to analyze the structure and development of Azerbaijani maritime transport in particular. As a result of the findings, suggestions were made in the direction of the economic perspectives of maritime transport in the country.

Keywords: *Sea trade, Logistics, Port of Azerbaijan, International sea shipping*

1. Introduction

Sea transportation is conceptually a form of transportation made with ships, ferries and other watercraft. Maritime transportation is mostly used in international trade and logistics.¹

The maritime industry goes back much further than any date, and it dates back to 4000 to 3000 BC. Many scientists and a lot of evidence show that the first maritime and first maritime trade was directly related to sea between Babylon and India, as well as along the Asian coast

¹ Hakan KILCI "TAŞIMACILIK FAALİYETLERİNİN REKABET ÜSTÜNLÜĞÜ OLUŞTURMADA İŞLETMECİLİKTE YERİ VE ÖNEMİ: TÜRKİYE ÖRNEĞİ VE TÜRKİYE'DE TAŞIMACILIĞIN GELİŞİMİ", *Balkan Sosyal Bilimler Dergisi*, 2017 s-75

three thousand years before Jesus' birth. The main reason for this is that people living on the Greek islands are exchanging goods and ideas with Egyptians and making it easier to communicate.²

The first examples of maritime transportation in 3200 BC were the coastal boats used by the Egyptians. Looking at historical evidence, Egyptians used the original coastal boats in large rivers by 3500 BC and gradually transformed these boats into sailing ships. Later, the river where these ships settled was the Nile delta. Here trade was between Egyptian and Phoenician ports.³

On the other hand, Vikings are the ones that open to the oceans and increase their commercial maritime transportation to a level closer to today's meaning. In the development of maritime transport, the discovery of new regions with geographical discoveries and industrialization as well as the introduction of steam technology on ships have had an important effect, making it possible to build ships that can travel on long routes and have more cargo transportation than in the past⁴.

The development of sea transportation in Azerbaijan is related to the Caspian sea. From the past to the present, Caspian has always attracted the attention of border states as a great fortune. After the occupation of Azerbaijan in the 30th years of the XIX century, Russia and Iran used freely from the Caspian. But because of Caspian has borders with the 5 states in the present period, the use of borders is realized with equal rights among border states. Despite this, 5 states (Azerbaijan, Iran, Turkmenistan, Russia, Kazakhstan) on the border make different claims related to the situation of the Caspian.⁵

Azerbaijan's claim on the Caspian: Let the base of the Caspian Sea remain a division like in the Soviet Union. This claim was accepted by Russia and Kazakhstan. But in response to the USA, who was injured by the "Caspian Guards" project, Russia wants to make "Military cooperation" here, which is not accepted by Azerbaijan.⁶

Iran's position on this situation: According to Iran, the region of the sea in the Soviet era is not fair. Justice demands that the Caspian has to be divided into 5 equal regions compared to border countries. This claim is not foreseen by Azerbaijan. If the region is divided into 5 equal parts as to location border states then Baku bay will be remain within Iran borders⁷.

Russia's opinion on this matter defends the division that agreed with Azerbaijan and Kazakhstan during the Soviet era. But in addition, it demands that there will be no

² A SHORT HISTORY OF THE WORLD'S SHIPPING INDUSTRY by C., 'ERNEST FAYLE', With the For, word by

SIR ALAN G. ANDERSON, K.B.E. PQS/-P, uii4nI qf Ik CiIami" qf Shipping qfIkU, K. Page.34

³ "Deniz Ticareti" <http://www.taussmarine.com/sevirdefteri/index.php/deniz-ticaret-yollari/>

⁴ Aynur CİVELEK, Özgün BAŞIBÜYÜK "ANTİK DÖNEM SERAMİKLERİ İŞİĞİNDA GEMİLER" Adnan Menderes Üniversitesi, Sosyal Bilimler Enstitüsü Dergisi, Cilt 3, Sayı 1, sayfa 15

⁵ "Xəzərin Hüquqi statusu" <http://www.anl.az/down/meqale/525/2010/NOYABR/141345.htm>

⁶ Nuranə Mahmudova Sahib qızı, "XƏZƏR PROBLEMİ DİPLOMATİK MÜNASİBƏTLƏRDƏ" Bakı, 2015 səh 28

⁷ "Xəzərin Hüquqi statusu ölkələr tərəfindən" <https://modern.az/az/news/73649>

intervention to Caspian from states that are not on the border and a military unit has to be established there.⁸

According to Turkmenistan, the middle line principle is used, in this case Azerbaijan loses a few oil and gas deposits, so Azerbaijan does not accept the middle line principle⁹.

Kazakhstan accepts the claim of Azerbaijan in terms of the location of the Caspian. According to the location of the Caspian, it is not directly related to the ocean. Here, when sea transportation is made, it is built as a closed area. The reason for this, is that the Caspian is a closed basin, and it is used from the Volga Don channel and Volga streams in order to get access to the ocean. This always leads Azerbaijan to the north during sea transportation.

2. THE PLACE AND IMPORTANCE OF MARINE TRANSPORTATION IN INTERNATIONAL TRANSPORTATION

Marine transportation is the backbone of foreign trade. International maritime transport and maritime trade are united¹⁰.

The world has been changing with a dizzying pace especially in the last 25-30 years and is experiencing a phenomenon called globalization, that is, globalization.) For this reason, markets are becoming more and more integrated, the walls between economies are collapsing, distances are falling¹¹.

XXI. In these days of the first years of the century, the world is going through a period when traditional political blocks disappeared, liberal tendencies have strengthened in every field and technological development has led to significant changes without any boundaries¹². The rapid development in transportation and communication technologies is the product and the engine of this process and pushes the world towards an economic, political and cultural globalization. In the meantime, international standards become compulsory for the transportation of goods and passengers from one place to another, just as it has become imperative to produce goods and services at international standards.

Now, overcoming international competition has also become one of the key factors in terms of quantity and quality, because entering new markets requires reliable, inexpensive and fast transportation systems with high standards. Therefore, not only the practices for liberalization of foreign trade policies are effective in the globalization that has increased in the world

⁸ “Xəzərin hüquqi statusu bölümü” <https://banker.az/x%C9%99z%C9%99r-d%C9%99nizinin-huquqi-statusu-razilasmasi-bar%C9%99d%C9%99-n%C9%99ri-bilm%C9%99liyik/>

⁹ Nuranə Mahmudova Sahib qızı, “XƏZƏR PROBLEMİ DİPLOMATİK MÜNASİBƏTLƏRDƏ” Bakı, 2015 səh 25

¹⁰ İrfan KALAYCI “Deniz Ticareti ve Küresel Mali Kriz: İpek Yolu’nda Türkiye İçin Yeni Stratejiler” AVRASYA ETÜDLER sayfa - 97

¹¹ Muhtəşem Kaynak, “ULUSLARARASI TAŞIMACILIK VE LOJİSTİK BAGLAMINDA AVRASYA ULAŞTIRMA KORIDORLARINDA BOLGESEL REKABET VE TÜRKİYE” sayfa-5

¹² Muhtəşem Kaynak, “ULUSLARARASI TAŞIMACILIK VE LOJİSTİK BAGLAMINDA AVRASYA ULAŞTIRMA KORIDORLARINDA BOLGESEL REKABET VE TÜRKİYE” sayfa- 4

economy in recent years, but also the fundamental advances and inventions in the storage, communication and current transportation sector, which are our current subject. Beyond that, there is now a concept called logistics. The traditional transportation and transportation concept, which has undergone radical changes as a result of global trade trends and technological developments, is handled within the concept of logistics today. Logistics is the possession of a good in the right place, at the right time, in the right amount, with the highest quality, in the safest way and at the most affordable costs¹³. Logistics is a planning, implementation and control activity carried out to ensure that all kinds of goods, services and related information flows in the supply chain are carried out forwards and backwards in an effective and efficient way¹⁴. Therefore, logistics is a concept that expresses an understanding rather than moving a product from one place to another. Logistics, in its broadest sense, can also be defined as all the necessary activities to deliver a product from its source to the final consumer. These activities are carried out in a flow called the supply chain. In the traditional supply chain, besides transportation activities, distribution, storage, handling, packaging, customs, insurance exist. It is necessary to carry out these activities effectively and efficiently in terms of micro basis as well as regional, national and international transportation and logistics on a macro basis.

As a result of efforts to reduce production costs and delivery prices to consumers, the emergence of the flow of physical goods has led the concept of logistics on both a micro and macro basis to gain more importance than ever before.

Global maritime trade has been given more superiority east and west routes in 2019. All data are written in detail on the table below¹⁵.

¹³ **Muhteşem KAYNAK**, “Ulaştırma Yeni Eğilimler ve Türkiye’nin

Bölgesel Lojistik Güç Olma Potansiyeli”, *Avrasya Etütleri*, Sayı: 24, 2003, s.3-18.

¹⁴ Mahmut Nevfel ELGÜN, “ULUSAL VE ULUSLARARASI TAŞIMA VE TİCARETTE LOJİSTİK KÖYLERİN YAPILANMA ESASLARI VE UYGUN KURULUŞ YERİ SEÇİMİ” **Afyon Kocatepe Üniversitesi, İİBF Dergisi** , 2011, 207-208 sayfa

¹⁵ **United Nations Conference on Trade and Development**, Review of Maritime Transport 2019 Sales No. E.19.II.D.20.. 31 January 2020 PAGE- 14

1. Table .Sea trade in East- West in 2016-2019

Table 1.10 Containerized trade on mainline East–West routes and other routes, 2016–2019 (Million 20-foot equivalent units and annual percentage change)				
	2016	2017	2018	2019 ^a
	TEUs			
Mainline East–West routes	54 845 031	57 950 975	60 721 427	63 710 784
Other routes <i>of which:</i>	84 802 064	90 097 054	91 236 532	96 744 144
Non-mainline East–West	18 530 451	19 609 905	19 463 013	20 517 827
North–South	11 396 198	11 995 463	12 131 139	12 691 808
South–South	17 178 486	18 475 650	18 927 033	21 191 690
Intraregional	37 696 928	40 016 036	40 715 347	42 342 819
World total	139 647 095	148.048 029	151 957 959	160 454 928
	Percentage change			
	2016	2017	2018	2019 ^a
Mainline East–West routes	4.07	5.7	4.8	4.9
Other routes (non-mainline) <i>of which:</i>	3.05	6.2	1.3	6.0
Non-mainline East–West	3.43	5.8	-0.8	5.4
North–South	-0.05	5.3	1.1	4.6
South–South	0.25	7.6	2.4	12.0
Intraregional	5.19	6.2	1.8	4.0

During international transportation the most preferred one is the sea transportation. This is because of with sea transportation it is possible to transport more products or people at less cost. On the table below, which products were given superiority in which countries in 2018, they were used as total data¹⁶.

¹⁶ UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT “REVIEW OF MARITIME TRANSPORT 2019”, **United Nations Conference on Trade and Development**, Corr.1, 2020, Sales No. E.19.II.D.20 (31 January 2020) page 26

2. Table. International maritime trade 2017-2018

Table 1.4 International maritime trade, 2017-2018 (Type of cargo, country group and region)									
Country group	Goods loaded					Goods unloaded			
	Year	Total	Crude oil	Other tanker trade ^a	Dry cargo	Total	Crude oil	Other tanker trade ^a	Dry cargo
Millions of tons									
World	2017	10 716.2	1 874.6	1 271.6	7 570.1	10 702.3	2 033.7	1 289.4	7 379.2
	2018	11 005	1 886.2	1 308.1	7 810.7	11 002.2	2 048.5	1 321.8	7 631.9
Developed economies	2017	3 709	152.7	491.2	3 065.1	3 795	979.1	494.7	2 321.2
	2018	3 821.7	157.7	511.2	3 152.7	3 822.9	946.5	495.8	2 380.5
Transition economies	2017	694.4	206.8	41.6	445.9	81.4	0.3	4.6	76.4
	2018	713.3	203.8	39.6	469.9	86.5	0.3	4.8	81.3
Developing economies	2017	6 312.8	1 515	738.8	4 059	6 825.9	1 054.3	790	4 981.6
	2018	6 469.9	1 524.7	757.3	4 188	7 092.8	1 101.6	821.2	5 170
Africa	2017	740.9	291.3	70.4	379.1	496.8	40.5	93.8	362.6
	2018	767.2	289.3	73.8	404	516.3	42.5	93.9	380
America	2017	1 371.8	225.2	71.9	1 074.7	617.2	47.5	141.4	428.2
	2018	1 403.7	219.3	78.3	1 106.1	652.5	51.8	149	451.8
Asia	2017	4 192	996.9	595.6	2 599.5	5 696.9	965.4	549.4	4 182.1
	2018	4 290.7	1 014.4	604.1	2 672.1	5 908.3	1 006.5	572.5	4 329.3
Oceania	2017	8.1	1.6	0.8	5.7	14.9	0.8	5.4	8.7
	2018	8.4	1.6	1.0	5.8	15.6	0.8	5.8	9

3. Table. International sea shipping

Country group	Goods loaded				Goods unloaded				
	Year	Total	Crude oil	Other tanker trade ^a	Dry cargo	Total	Crude oil	Other tanker trade ^a	Dry cargo
Percentage share									
World	2017	100	17.5	11.9	70.6	100	19	12.1	69
	2018	100	17.1	11.9	71	100	15.5	11.6	72.9
Developed economies	2017	34.6	8.1	38.6	40.5	35.5	48.1	38.4	31.5
	2018	34.7	8.4	39.1	40.4	34.7	46.2	37.5	31.2
Transition economies	2017	6.5	11	3.3	5.9	0.8	0	0.4	1
	2018	6.5	10.8	3	6	0.8	0	0.4	1.1
Developing economies	2017	58.9	80.8	58.1	53.6	63.8	51.8	61.3	67.5
	2018	58.8	80.8	57.9	53.6	64.5	53.8	62.1	67.7
Africa	2017	6.9	15.5	5.5	5	4.6	2	7.3	4.9
	2018	7	15.3	5.6	5.2	4.7	2.1	7.1	5
America	2017	12.8	12	5.7	14.2	5.8	2.3	11	5.8
	2018	12.8	11.6	6	14.2	5.9	2.5	11.3	5.9
Asia	2017	39.1	53.2	46.8	34.3	53.2	47.5	42.6	56.7
	2018	39	53.8	46.2	34.2	53.7	49.1	43.3	56.7
Oceania	2017	0.1	0.1	0.1	0.1	0.1	0	0.4	0.1
	2018	0.1	0.1	0.1	0.1	0.1	0	0.4	0.1

Global perspectives of maritime trade are always increasing from past to present. Future perspectives of international maritime trade are expected to increase. Based on sea trade data in 2018 and 2019, product statics and sea routes in 2020 and 2024 were estimated. According to the International Monetary Fund, the GDP in 2006-2018 will increase even more in the maritime trade GDP in 2019-2024¹⁸. The reason for this is that sea trade is more affordable, and sea trade is more suitable in terms of perspective and countries' policies.

3. MARINE TRADE IN AZERBAIJAN

Marine transportation in the economy of Azerbaijan plays an important role in state borders, passenger transportation, offshore oil and gas production and cargo transportation in import-export operations. Different types of ships are used in sea transportation to increase the competitiveness of the economy. "Azerbaijan Caspian Maritime" CJSC "Marine Oil Fleet" and "Marine Transportation Fleet" played an important role in the Caspian Sea. The technological character of the Caspian Marine Oil Fleet, vessels that produce offshore oil and gas, ships operating in the foreign waters of the Marine Transport Fleet in international

¹⁷ UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT "REVIEW OF MARITIME TRANSPORT 2019", **United Nations Conference on Trade and Development**, Corr.1, 2020, Sales No. E.19.II.D.20 (31 January 2020) page- 26

¹⁸ UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT "REVIEW OF MARITIME TRANSPORT 2019", **United Nations Conference on Trade and Development**, Corr.1, 2020, Sales No. E.19.II.D.20 (31 January 2020) page-36

transportation, and naval ships in the Caspian Sea determine the importance of maritime transportation in strengthening the political and economic power of our country and ensuring the protection of our borders. The efficiency and competitiveness of maritime transport in the country's economy have increased due to the renewal of the Great Silk Road.

The fact that Azerbaijan is located on the ancient Silk Road, which is considered as the most crucial global goat point of the world, and its location in the combination of North-South and East-West, increase the countries importance . Therefore, it is necessary to further develop the sea trade here. If the development process and capacity are good enough , the country will be able to increase both its economy and its maritime trade potential¹⁹. There are a few goals here, the most important of which is the further development of logistics across the country. Great Silk Road Rehabilitation is of great importance for Azerbaijan. The borders of the Republic of Azerbaijan intersect from east to west (TRACECA)²⁰ and from south to north.

The main infrastructure projects for the development of trade relations between China-Europe, Central Asia-Europe Central Asia and the Black Sea, Iran-Russia, Iran-Black Sea, Russia and India, according to important trade routes, have put the trade volume and Azerbaijan into an important regional logistics center. But Azerbaijan needs to take some precautions for this.

Sea transportation plays an important role in the economic life of the Republic of Azerbaijan. Azerbaijan ships have the opportunity to enter the world ocean with the Volga-Baltic and Volga-Don water systems. All the sea routes of Azerbaijan are from Baku. Baku-Astrahan, Baku-Makhachkala, Baku-Anzali, Baku-Bekdash, Baku-Turkmenbashi, Baku-Aktau lines operate in international transportation, there are rail-ferry connections on the last 3 lines. Small cabotage transportation operates in Baku-Astara, Baku-Salyan, Baku-Lenkeran, Baku-Chilov Island. Baku port (Alat) is of special importance in the implementation of these 3 main infrastructure projects to strengthen the integration of Azerbaijan into international corridors in trade and economic relations.

Alat Free Economic Zone was founded by Ilham Aliyev, the president of the Republic of Azerbaijan, to play a leading role in international maritime transport and Eurasian logistics chains, promote local production and promote the “Made in Azerbaijan” brand worldwide²¹. The President stipulated precautions to establish a free trade zone type special economic zone, including the new Baku International Sea Trade Port region, in the Alat settlement of the Garadagh district of Baku, essentially to his charter of March 17, 2016.

Based on this regulation, on September 7, 2016, a contract was signed with DP World, a well-known United Arab Emirate company with an annual revenue of \$ 1 billion²². DP World, which has 78 terminals worldwide, prepared a development plan for Alat SEB and

¹⁹ “ Port of Baku” <https://portofbaku.com/az/about-port-of-baku/>

²⁰ “ TRACECA” <http://www.traceca-org.org/az/home/>

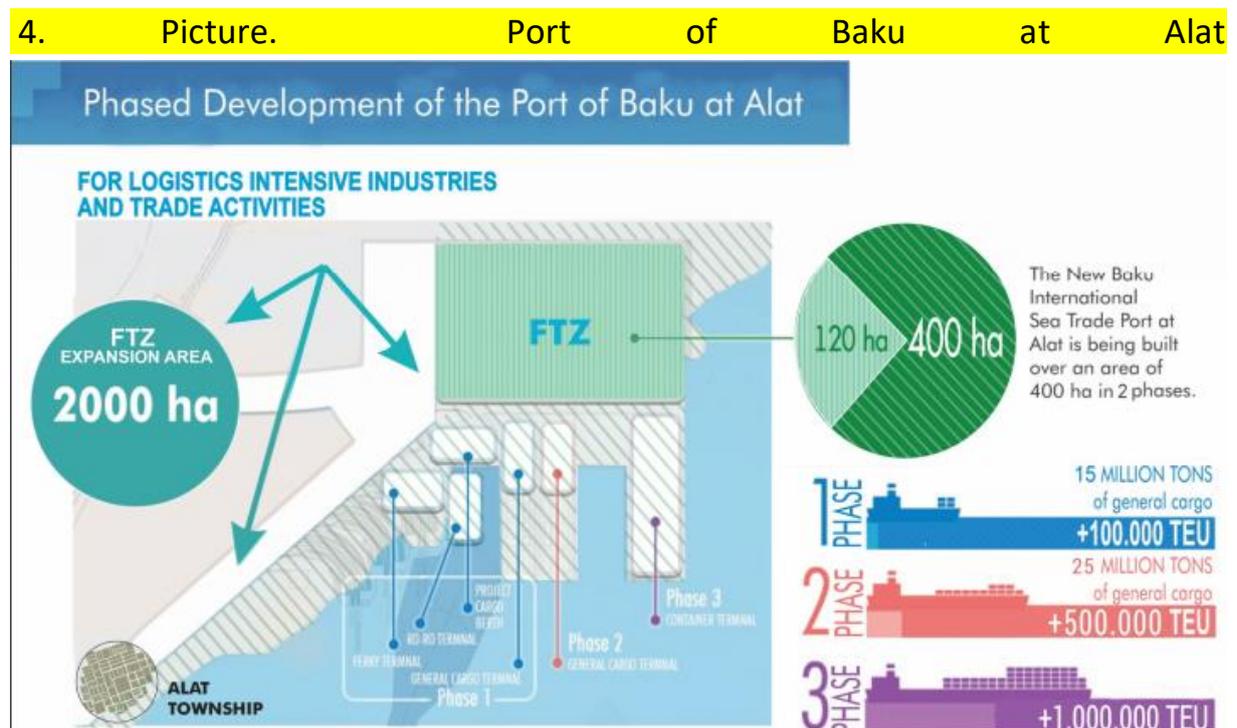
²¹ “ Alat FEZ” <http://www.e-qanun.az/framework/40055>

²² “ Ələt iqtisadi zonna” <https://president.az/articles/30005>

presented it to the government on 23 May. Then, on September 18, 2018, the economic region was brought to full shape.

The free economic zone, which includes the new Baku Port (Alat settlement), will initially be located on an area of 400 hectares and then 1,000 hectares. It envisages the creation of value added production and services. For example, petrochemical, pharmaceutical, agriculture, furniture production, etc. It is planned to build production facilities in different areas.

Overall, FEZ's South Caucasus, Central Asia, Iran, to serve a regional market of 130 million people, including South Russia and Turkey are planned. The cumulative impact on GDP is estimated to be \$ 57 billion by 2040²³.



It is possible to consider the existence of Alat in exactly 3 aspects. Economic, social and technological.

Economic evaluations²⁴:

- Deep penetration of the national market to the world economic system
- Attracting domestic and foreign investments for the development of high-efficiency production;
- Expanding export products;
- Increasing foreign currency earnings in the country budget;

Social evaluations²⁵:

²³ "Alat" <https://portofbaku.com/az/Alyat-Logistics-and-Trade-Zone-ALTZ/>

²⁴ "Alat" <https://president.az/articles/30005>

- Extensive development of economically backward regions;
- Increasing the number of workplaces and ensuring employment;
- Increasing the education and professional experience of local skilled workers, engineers, economy and management personnel;
- Filling the national market with high quality products;

Technological evaluations²⁶:

- Use of the latest domestic and foreign technology;
- Implementation of new forms of management;
- Participation of practical and scientific achievements of engineering and technical centers;
- Increasing the production capacity and quality of its infrastructure;

In order to further improve the development of maritime trade, the number and technical status of the ships should be reviewed. In the current situation, the number and condition of the ships in the Republic of Azerbaijan are not at all pleasant. There are a total of 123 ships in the country. 22 of them are tankers²⁷, 15 are for dry cargo transportation²⁸, 2 are Ro-Ro²⁹, 13 are ferries³⁰, 21 crane ships³¹, 23 spare ships³², 5 geological ships³³ and 21 ships³⁴ are put into service. In addition, there is a submarine called Hankendi³⁵ in Azerbaijan. As can be seen from here, the number of ships is small and insufficient, and the ships are not at the capacity to serve more commercial purposes. The speed of the newly purchased ships should be high, and their tonnage should be increased even more. Since Azerbaijan is a member of the CIS, the number of ships should increase. In addition, because Azerbaijan is on the Great Silk Road, the country should renew its maritime trade part since it is in the large geostrategic and commercial and economic regions.

In addition to port operations in the Republic of Azerbaijan, development efforts at other TRACECA ports may affect Azerbaijan due to the lack of logistics services (ferry lines, logistics centers and lack of lodging services). A total of 13 ferries (one container transport) in a commercial fleet of 73 ships with a loading capacity of more than 300KT, which can carry a container of 512 at a time (40 feet). According to the estimates on the route, the cargo transport volume is expected to reach 300,000-400,000 containers, including 2020. Currently, the use of the Azerbaijan Caspian Shipping CJSC Fleet ferries for container shipping causes

²⁵ "Sea shipping" <http://www.e-qanun.az/framework/40055>

²⁶ "Sea shipping" <http://www.e-qanun.az/framework/40055>

²⁷ "Ships in Azerbaijan" <https://asco.az/donanma/neqliyyat-donanmasi/tankerler/>

²⁸ "Ships in Azerbaijan" <https://asco.az/donanma/neqliyyat-donanmasi/universal-quru-yuk-gemileri/>

²⁹ "Ships in Azerbaijan" <https://asco.az/donanma/neqliyyat-donanmasi/ro-ro-gemileri/>

³⁰ "Ships in Azerbaijan" <https://asco.az/donanma/neqliyyat-donanmasi/gemi-bereler/>

³¹ "Ships in Azerbaijan" <https://asco.az/donanma/ixtisaslasdirilmis-donanma/kran-gemileri/>

³² "Ships in Azerbaijan" <https://asco.az/donanma/ixtisaslasdirilmis-donanma/techizat-ve-yedek-gemileri/>

³³ "Ships in Azerbaijan" <https://asco.az/donanma/ixtisaslasdirilmis-donanma/muhendis-geoloji-gemiler/>

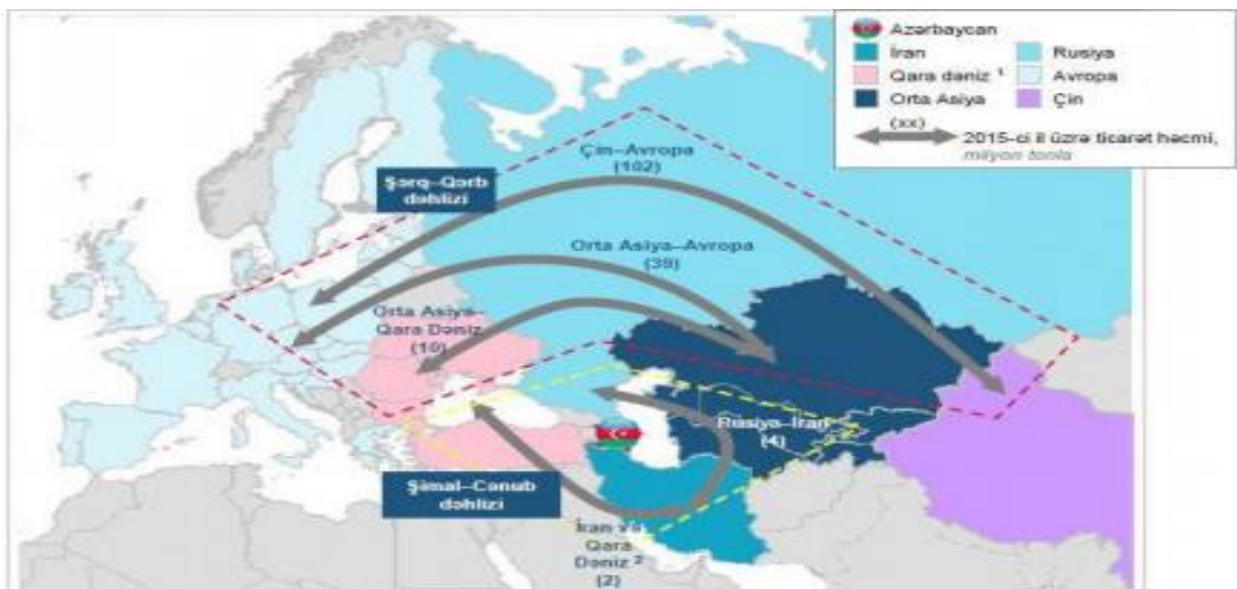
³⁴ "Ships in Azerbaijan" <https://asco.az/donanma/ixtisaslasdirilmis-donanma/sernisin-gemileri/>

³⁵ TƏBRİZ YADİGAROV AZƏRBAYCAN İQTİSADİYYATINDA DƏNİZ NƏQLİYYATI: PROBLEMLƏR VƏ PERSPEKTİVLƏR, Bakı, «Avropa» nəşriyyatı, 2018 səh 62

prices to go up. Therefore, investing in "container ferries" with a capacity of 400-500 containers, by reducing prices, will increase economic efficiency.

Therefore, by taking advantage of the growth of trade on the Trans-Caspian route, great importance should be given to maritime transport vehicles and investments should be made in this area. In addition, private maritime transport companies should be established in the

5. Picture. Trade way in Great Silk road



Republic of Azerbaijan to develop the area. Addressing the privatization of Azerbaijan Caspian Shipping CJSC for the optimal development of this sector in the future will lead to further development of this sector³⁶.

The important actor in the further development of maritime trade is customs tariffs. Since Azerbaijan is a developing country and production is low compared to developed countries in the country, it would be more appropriate to reduce customs tariffs and even export to some products without applying tariffs in order to increase the interest in "Made in Azerbaijan" products in the country. When we look at the "Young Industrial Thesis"³⁷, the products should be exported from the "Made in Azerbaijan" products at low tariffs or without any customs tariff for the export of new products produced in the country.

Most of the products exported in Azerbaijan are petroleum and petroleum products, in addition, the country exports oil in the form of raw materials or semi-finished products,

³⁶ TƏBRİZ YADİGAROV AZƏRBAYCAN İQTİSADİYYATINDA DƏNİZ NƏQLİYYATI: PROBLEMLƏR VƏ PERSPEKTİVLƏR, Bakı, «Avropa» nəşriyyatı, 2018 səh 64

³⁷ "Gənc endüstri tezi" <https://aspompi.wordpress.com/2010/12/29/genc-endustri-tezi-ve-dis-ticaret/>

whereas the oil makes it possible to export oil at a lower price and to be limited to the Caspian basin by using submarine pipes. At the same time, the number of products exported to the world through the country's Volqa Don channel remains in the minority. If the Republic of Azerbaijan concentrates on the non-oil sector, maritime trade develops, as in the world, and it positively penetrates its economic development.

Looking at the CIS countries, it is inevitable that countries within the CIS have tight export and import relations with each other. Considering this situation, common customs tariff should be made between the CIS countries and this tariff should be made under the leadership of the European Union. This situation provides positivity for its economic development both in terms of CIS countries and in terms of Azerbaijan Republic.

Conclusion

As a result, it is seen that maritime trade is an important sector in the globalizing world. When considered on the basis of developed countries, it seems that seafaring has come from past to present in these countries. These countries used the sea both for its strategic importance for war and for its commercial value. On the basis of developed countries, it is of great importance in these countries that maritime has a strategic importance from the past to the present and also in a commercial sense. At the same time the importance of shipping is also necessary in carrying people.

As for Azerbaijan, the country's settlement on the Great Silk Road spontaneously imposes a great strategic commercial meaning on this country. Therefore , the country should develop for maritime trade. The creation of the Alat free economic zone plays a role in the development of the country's commercial and essential logistics sides. Therefore Azerbaijan needs to take certain precautions. In addition, in order for the product of" Made in Azerbaijan", the brandy of the country, to be spread to the world and to be recognized, it should be made on the basis of the "young industrial thesis" when the country customs tariffs must determined. This will also serve for the continuity of developing the country's economy.

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