



NATIONAL APEX CHAMBER

POST-EVENT REPORT

INTERACTIVE VIDEO CONFERENCE ON



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INDIA-AZERBAIJAN BUSINESS PROMOTION, CHALLENGES AND OPPORTUNITIES- POST COVID-19

7TH MAY, 2020

Chief Guest:

H.E. Mr. B Vanlalvawna, Ambassador, Embassy of India,
Baku, Azerbaijan



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INTERACTIVE VIDEO CONFERENCE ON INDIA – AZERBAIJAN BUSINESS PROMOTION, CHALLENGES AND OPPORTUNITIES - POST COVID 19

Thursday, 07th May, 2020 | 11:30 AM to 01:00 PM

Guest Speaker



H.E. Mr. B. Vanlalvawna
Ambassador
Embassy of India, Baku, Azerbaijan

PHDCCI Leadership



Dr. D.K Aggarwal
President, PHDCCI



Mr. Sanjay Aggarwal
Sr. Vice President, PHDCCI



Mr. Pradeep Multani
Vice President, PHDCCI

ABOUT PHDCCI

PHD Chamber of Commerce and Industry (PHDCCI) has been working for the promotion of Indian industry, trade and entrepreneurship as a catalyst for the past 114 years and is a forward looking, proactive and dynamic pan-India apex organization present in 23 states and 2 Union Territories. As a partner in progress with industry and government, PHDCCI with a special focus on MSMEs works at the grass roots level, with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

INTRODUCTION

The International Affairs and Trade Fairs Division, PHD Chamber of Commerce and Industry (PHDCCI), organized an Interactive Video Conference on “India-Azerbaijan Business Promotion, Challenges and Opportunities – Post COVID19” on 7th May 2020 with H.E. Mr. B Vanlalvawna , Ambassador of India to Azerbaijan as well as Mr. Zohrab Gadirov, Head of Investment, AZPROMO and Mr. Faud Humbativ, DSG, National Confederation of Entrepreneurs Organisation.

The world is witnessing the carnage of the novel coronavirus (COVID-19) pandemic. There has been a significant loss of human lives and the global economy has also felt the impact severely. Global markets are in a free fall with supply-chain disruption and manufacturing falling to the lowest levels in decades.

For a better understanding of the global impact of COVID-19 pandemic on the economy and the way forward especially in the international arena, an interactive video conference was organised on the topic “India-Azerbaijan Business Promotion, Challenges and Opportunities – Post COVID19”. The session was attended by more than 50 senior delegates and members of the Chamber.

The proceedings of the Session are as follows:

The interactive video conference began with the welcome remarks from **Mr. Pradeep Multani, Sr. Vice President, PHDCCI**. Mr. Multani welcomed H.E. Mr. B Vanlalvawna, Ambassador of India to Azerbaijan and the other dignitaries and delegates. He appreciated both the governments for taking pro-active and extensive preventive measures to protect the citizens and the economy from the adverse impact of the Covid-19 pandemic. With regular high-level visits from both sides and exchanges, India remains committed to expanding its strategic partnership with Azerbaijan. Mr. Multani shared some facts related to the trade relations between the two countries:

- India's Bilateral trade with Azerbaijan has increased substantially from around US\$50 Million in 2005 to around US\$1093 Million in 2019. The primary import of India from Azerbaijan is crude oil. On investment front, more than 230 Indian companies are operating in Azerbaijan and have invested more than US\$1.2 billion in various sectors like energy, agriculture & food processing, pharmacology, tourism, ICT, Stone and Ceramics, travel and tourism, printing and packaging, mobile manufacturing, infrastructure, etc.
- The relations are also developing rapidly in the energy sphere, Indian ONGC Videsh company owns a stake in the project of development of the Azeri-Chirag-Gunashli block of oil and gas fields in the Azerbaijani sector of the Caspian Sea.
- PHD Chamber has also been actively participating at the BEST OF INDIA SHOW – an exclusive multi sector India product show at Baku with support of Department of Commerce, Govt of India and Embassy of India Baku.

The PHD Chamber of Commerce and Industry, as a facilitator of business and industry, has put significant efforts to expand India's investment ecosystem to new highs and taken proactive measures to foster and strengthen international linkages.

Mr. Purrshottam Bhaggeria, Chairman, International Affairs Committee for Europe & CIS, PHDCCI also welcomed all the dignified guests and participants in the webinar. He threw light on the relationship between India and Azerbaijan. India and Azerbaijan have friendly relations and growing bilateral cooperation based on civilizational linkages, cultural affinities and shared values of understanding and respect for other cultures. Logistical complexity between India and Azerbaijan has been a key issue that led to the setting up of a trade foundation and the exploring of synergies between the two nations. Three sectors that have substantial potential for

bi-lateral trade are food processing, pharma and technology, and India can play a very enabling role in partnering it for the same.

Mr. Zohrab Gadirov, Head of Investment Department, Azerbaijan Export Promotion and Investment Organization AZPROMO acknowledged the MOU they have with PHDCCI and that the two organizations have been working closely with PHDCCI for hosting the delegations to Azerbaijan. He also apprised regarding the COVID-19 situation in Azerbaijan. The tourism industry is under immense financial strain due to the closure of all the border and travel restrictions. Azerbaijan has spent about 4% of the country's GDP for the restoration process of post COVID 19. Mr. Gadirov acknowledged the measures taken by India to fight COVID-19 and termed them as impressive. Now is a good time to start considering what we plan post the pandemic to uplift the disrupted supply chains.

Furthermore, he focused on relations between both the countries and the steps taken by the respective governments. India and Azerbaijan have age-old historical relations and shared traditions. India's bilateral trade with Azerbaijan has been growing steadily in recent years. Both the governments are proposing to take some measures to commemorate the event and to strengthen bilateral ties in the process. Important takeaways from his address are as below:

- There has been significant growth in the trade between the two countries and companies in Azerbaijan will begin production soon after the lockdown ends on 30th May.
- The main purpose of bringing together Azerbaijani and Indian businessmen is to explore opportunities for business cooperation, investment and trade in two countries. Such joint cooperation would be useful in terms of expanding business relations, attracting mutual investments and establishing joint ventures.
- The International North-South Transport Corridor would definitely help in increasing the volume of trade, which will leverage the potential of sea, rail and road routes by reducing costs and the amount of time it takes for goods to travel a similar route and distance.
- The Indian community in Azerbaijan comprises of professionals employed with international companies in the oil and gas sectors, businessmen engaged in commodity trading, catering/restaurant businesses, as well as construction workers.

Mr. Faud Humbatov, Deputy Secretary General National Confederation of Entrepreneurs (Employees) Organization (ASK) thanked PHDCCI for taking the initiative for organizing the VC. He mentioned that to fight COVID-19, local resolutions are important. Tourism and manufacturing are the most affected sectors and government is preparing packages to support the industry and is working on reviewing the supply chains. He appreciated how India is managing the effects of the global COVID-19 pandemic using unprecedented public health and economic measures.

PHDCCI is a global MOU partner with Azerbaijan Export & Investment Promotion Foundation, Baku and The Azerbaijan Republic Chamber of Commerce and Industry

Baku, Azerbaijan. Both the countries should build long term roadmap to work together in order increase trade and investment and to grow. Amongst the many sectors of the economy that require immediate attention, are the MSME. In this regard PHDCCI was requested to support by creating such digital platforms to share proposals and ideas with Indian Partners.

H.E. Mr. B. Vanlalvawna, Ambassador of India to Azerbaijan thanked PHDCCI for organizing the session and appreciated the commitments by the partner associations. His Excellency apprised the participants about steps taken by both the countries to boost bilateral trade. The outbreak of this pandemic is not expected to slow-down the bilateral relations between the two countries. India and Azerbaijan have to take measures to enhance trade relations and expand business tie-ups between both the countries and to further strengthen and expand their cooperation in trade and investment, SMEs, agriculture, food safety, tourism, health and pharmaceuticals, education. Sectors like electronics, gems and jewelry, pharmaceuticals, IT, agriculture, are of good interest to Azerbaijan. There is also a need to step up the cooperation to enlarge the trade basket and increase bilateral trade and investment. His Excellency had some important observations to make and updates to share:

- According to statistics of Azerbaijan government, economic trade relations between the two countries have witnessed a healthy growth in the past few years. Trade has gone from slightly over US\$ 300 million to over one million more in the last five years.

- India's exports have witnessed a growth from US\$ 5 million in 2015 to US\$ 136 million in 2019.
- During this period, India has also emerged as one of the top 4 export destinations for Azerbaijan products. There is a potential to increase India's share in Azerbaijan global trade.
- IT services is one sector with immense potential to collaborate in, along with others like engineering.
- Economic reforms and transformation is taking place in Azerbaijan, and with government to government level engagements, India and Azerbaijan are presently negotiating investment related agreements which are going to create a more efficient eco-system for their businesses.
- India and Azerbaijan have committed to strengthen ties in trade, and tourism and it is imperative to explore possibilities of joint projects and mutual investment opportunities in Azerbaijan.
- Indian businessmen have to go through some procedures meant for making investments. The purpose of bringing together Azerbaijani and Indian businessmen is to explore opportunities for business cooperation, investment and trade in two countries.
- A platform needs to be established by the chambers of commerce of both the countries.
- Government of India has reaffirmed that India is ready to offer assistance to Azerbaijan to the best extent possible, in solidarity with the global movement to combat the COVID-19 virus and support with healthcare facilities.

Mr. Vikram Gera, Co-Chairman, International Affairs Committee, Europe and CIS, PHDCCI, gave an insight into the cultural and historical relations between India and Azerbaijan. Indian intellectuals, like Gurudev Rabindranath Tagore is well-known in Azerbaijan. Indian cinema and continues to have a large following in Azerbaijan, and Indian music and dance groups are sponsored by the ICCR. Even Yoga is immensely popular in Azerbaijan. The International day of Yoga on 21st June was attended by several yoga practitioners from Azerbaijan with much enthusiasm. In the Education Sector, there are opportunities under the technical and economic cooperation programs. The Government of India offers a number of fully paid training courses to professionals from Azerbaijan every year. This year 22 slots were allotted to Azerbaijan. India also provides one scholarship every year to Azerbaijan students under the General Scholarship Scheme of Indian Council for Cultural Relations (ICCR).

A Hindi Teaching Centre has been functioning in Azerbaijan Universities of languages since October 2010 with the support from ICCR. In 2017 India celebrated 25th Anniversary of diplomatic relations.

Mr. Nasir Zaidi, Chairman, International Affairs Committee for Gulf, suggested considering to explore opportunities in the aviation and tourism sector. With regards to aviation and cargo, Azerbaijan has immense potential, being at a strategic location that can ideally be used as the gateway to many of Central Asian countries and large part of Europe. Besides tourism, MICE industry also requires a lot of focus. There is a need to revamp film, tourism, and cultural exchanges both ways, as well as focus on the Education Sector.

Mr. Surinder Kalra, Co-Chairman, International Affairs Committee for Gulf was positive in sharing that many companies are interested to invest in Azerbaijan as they also have funds and B2B events could be organized to promote the industries, for example IT Security, Block Chains and in the artificial intelligence.

Mr. Saurabh Sanyal, Secretary General, PHDCCI gave the formal vote of thanks and thanked His Excellency and the diplomats for being a part of the session and sharing their valuable insights regarding different aspects of the relations between the two countries. The growth in the bilateral trade has led to realization of more potential between India-Azerbaijan. Mr. Sanyal apprised regarding AYUSH, that it has played important role when it comes to trade between the two countries. This kind of a session organized by PHDCCI is very important to bring together the industry people and further organize B2B and B2G meetings which would benefit the members of the Chamber and the industry as a whole.

The session was well appreciated by the distinguished guest speakers, members from PHDCCI and delegates, and it has set a momentum to carry forward these thoughts with acclamation and support the government and each other during this period of lockdown and minimize the impacts of the pandemic.

The Session was moderated by **Mr Naveen Seth, Principal Director, PHDCCI** and reiterated that the PHD Chamber will compile all suggestions and views of members and will send to the Embassy.

Question and Answer Session

The Interactive VC was followed by several questions from participants that were satisfactorily answered by all the speakers. Highlights from the Q & A Session are as below:

Queries were raised regarding scope of Leather Goods in Azerbaijan.

- *The leather goods industry has been identified as potential sector since last year. At present there is no specific leather trade fair being organised in Azerbaijan, but they are interested to organize such fairs in the future.*

Concerns were raised regarding the scope of HVAC industry, cold-storage and agri-business.

- *Azerbaijan has done quite well in the HVAC and Agri-business. HVAC companies are already exporting in the market. One has to make serious efforts to interact with such organizations on regular basis to maintain the synergy.*

Ayurveda medicine, and spices were other few sectors that were discussed upon. The eminent speakers from Azerbaijan had the following points to make in this regard:

- *After seeing the publicity of Ayurvedic medicines as a preventive option against COVID 19, the idea to consider these in Azerbaijan is very much welcome. It will take some time for it to gain popularity. Indian spices do not need a lot of promotion as they are already very famous and much used in Azerbaijan and the industry has a lot of potential.*

His Excellency and other diplomats were keen to take up queries of related to trade and investment in Azerbaijan and requested the delegates to submit their queries on their website to enable the Embassy to get back to them. In the concluding remarks it was stated that industry stakeholders are free to get in touch with the High Commission, in order to connect with the right buyers and sellers for doing business.

CONCLUSION

The Interactive Video Conference on India-Azerbaijan Business Promotion, Opportunities and Challenges concluded on a positive note with the industry from both the countries agreeing to have a concrete B2B meeting on a virtual platform to take their respective business forward post Covid 19. PHDCCI will be arranging for a virtual platform to organise the sector specific B2B meeting to start with. The modalities of the B2B meetings will be finalised in consultation with both the embassy and the trade associations. The following sectors can be considered:

- Agriculture and Food Processing
- Tourism
- Healthcare and Pharmaceuticals
- Education
- Electronics
- Gems and Jewelry
- IT & ICT

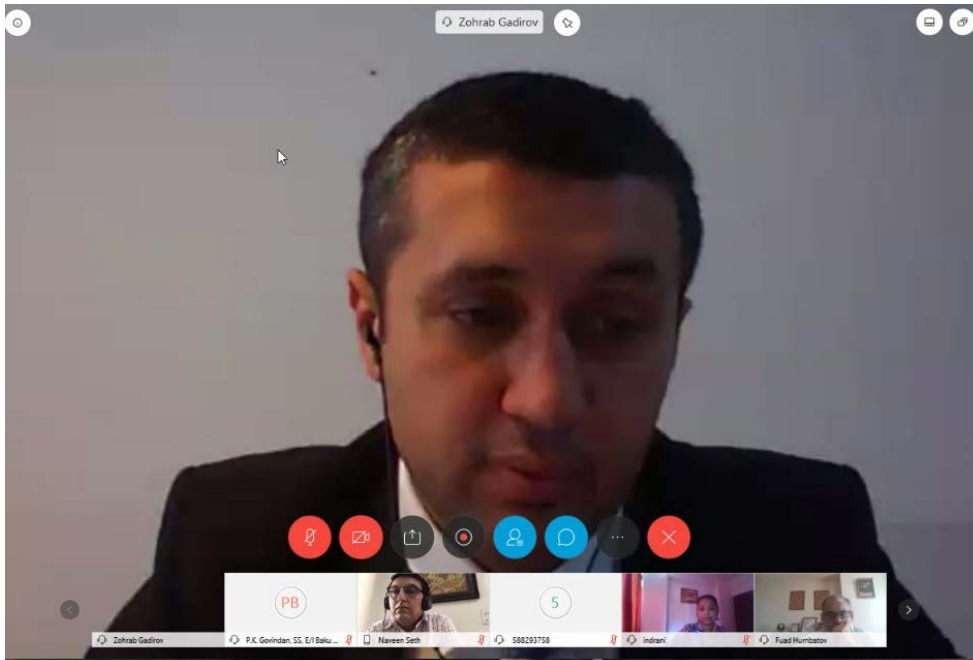
GLIMPSES



H.E. Mr B Vanlalvawna, Ambassador of India to Azerbaijan addressing the delegates during the VC on “India-Azerbaijan Business Promotion, Challenges and Opportunities – Post COVID19”



Mr. Faud Humbatov, Deputy Secretary General National Confederation of Entrepreneurs (Employees) Organization (ASK)



Mr. Zohrab Gadirov, Head of Investment Department, Azerbaijan Export Promotion and Investment Organization AZPROMO during the interactive VC

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