

coming years. Thus, the development of the non oil sector is a priority for Azerbaijan to ensure continued economic growth and social stability.⁴³ In this sense, the government adopted the Strategy 2020 in december 2012 which has as a primary task on the agenda *to speed up economic diversification, maintain rapid non-oil sector growth regardless of the level of oil revenues, increase competitiveness and expand export opportunities. It is expected that great economic competitiveness will lead to growth in non-oil exports. Along with the rapid development of the non-oil sector, the promotion of innovation activities will create favorable conditions for the emergence of a knowledge-based economy.*⁴⁴

To become a regional hub, Azerbaijan's strategic geographical position must be effectively used, transit and transport services developed. At the same, an integrated approach⁴⁵ regarding the infrastructure and transportation projects in the region would be of great help and guarantee their successful implementation.

Many Azerbaijani government officials have repeatedly acknowledged that the country is ideally situated to become a regional transportation hub between Europe and Asia. In fact, a number of transportation and infrastructure projects have already been launched to advance this strategy. Among them is the strategic Kars-Akhalkalaki

railway, which will link the Georgian and Turkish rail networks and thus create a rail corridor between China and Europe via Azerbaijan. In addition, the government is investing billions of dollars in modernization of the country's international highways along the East-West and North-South axes. The government plans to establish Free Economic Zones (FEZs) and invest more than \$60 billion in real estate projects in and around Baku, essentially aiming to transform the national capital into the "Dubai of the Caspian."⁴⁶

The East-West Corridor Black Sea - Caspian Sea meaning different tracks from energy, trade, investment, transportation corridor, the military corridor⁴⁷ in an out of Afganistan to the Euro-Atlantic area that could link Europe via Central Asia to the New Silk Road⁴⁸ is a good opportunity for Azerbaijan and its objective of becoming a

⁴⁶ *Idem*, p.8

⁴⁷ Here we can mention another asset Azerbaijan can put on the table: the ensurance of the transit corridor for NATO troops and it's important logistical role in supporting them

⁴⁸ Over the course of several speeches in 2011, US Secretary of State Hilary Clinton committed US foreign policy in Asia to the vision of a New Silk Road. The United States is promoting a "New Silk Road" that would link Afghanistan to Southern and Central Asia via an interconnected web of transit corridors, which could transform the regional trade environment, tearing down commercial barriers and offering economic benefits for all. Speaking in Chennai, India, in July 2011, Secretary Clinton proposed the New Silk Road thus: *Let's work together to create a new Silk Road, an international web and network of economic and transit connections. That means building more rail lines, highways, energy infrastructure. It certainly means removing the bureaucratic barriers and other impediments to the free flow of goods and people. It means casting aside the outdated trade policies that we all still are living with and adopting new rules for the 21st century.* See Graham Lee, The New Silk Road and the Northern Distribution Network: A golden Road to Central Asian Trade Reform? Central Eurasia Project, Occasional Paper Series no.8, October 2012, Open Society Foundations

⁴³ Fariz Ismailzade, „Azerbaijan's security concerns: a view from within", Norwegian peacebuilding resource centre, april 2013, p. 1

http://www.peacebuilding.no/var/ezflow_site/storage/original/application/76baa030b090fcb626927a555726384a.pdf

⁴⁴ Development concept Azerbaijan – 2020: the vision of the future

http://www.undp.org/content/dam/azerbaijan/docs/sustain_development/AZ_Vision2020_government_draft_en.pdf

⁴⁵ Taleh Ziyadov, „Azerbaijan as a regional hub in Central Eurasia", Caspian Strategy Institute Center for economics and development studies, december 2012, p.9

regional transportation hub between Europe and Asia. At the same time, this corridor would strengthen Azerbaijan's position in the region. If correctly assessed, The East-West Corridor Black Sea - Caspian Sea would be at the same time a logic consequence of Azerbaijan's decision to look to Europe and the stability that could result from establishing much stronger connections there.

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