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<b>Country</b>	<b>Azerbaijan</b>
<b>Title</b>	<b>Oil sector impact to a tourism as a priority of the Azerbaijan non-oil sector</b>
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<b>Author</b>	<b>Prof. Ali Jabbarov - Nakhchivan Private University, Azerbaijan</b>

The modern level growth perspectives of the Azerbaijan oil sector give an opportunity to put ahead several ideas said to be obvious facts for consideration.

**Key argument:** One may consider the branch of tourism, one of the world wonders, not as one of the perspective alternatives against the oil sector of Azerbaijan but also as a supplement of it. Wholly, the developing energy sector of the Azerbaijan Republic may be estimated as a factor impacting to the tourism promotion in the country for its various specificities indeed.

**Our riches:** At present oil and gas as natural resources became one of the leading parameters of the economic and political balances for its irreplaceable importance. No secret that, in all levels—starting from the debates of leaders to global climate warming, from pre electoral promises of political parties and governments till the meetings hoping to solve regional conflicts, in short, everywhere the natural resource issue is on the agenda.

By different standpoint approaches to the problem to case the name of Azerbaijan in wide scale auditoriums, for us, may sound entirely objectively. One knows well that oil constitutes the base of the Azerbaijan Republic economy. Starting from the ancient period the oil extracted for a long time in Azerbaijan played a very important role in making Azerbaijan popular in the world. Oil rich Azerbaijan played a great role in instituting the Nobel Prize Foundation, which is the most popular in the world, in operating the Soviet army equipment during World War II respectively.

Thereafter the USSR collapse, the gained independency of the Azerbaijan Republic gave a good chance for the people of Azerbaijan to utilise the oil treasure for strengthening the economic power increase dynamically. Today the oil of Azerbaijan has not only a great importance for our economy rise but also has a very vital significance in operating BTC, century's project, in lifting the existing energy dependence of our neighbour country Georgia, Turkey, in providing the main part of Israel oil import, in the integration of the oil rich Middle Asia countries (still who are hesitating) to Europe as well.

But grounding on the world experience we can say that oil didn't always bring fortune or happiness to all mankind. The damage of incorrect oil reserve usage and its danger occurring as a

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result of intransparency over it is known from the nearest history in the example of so many oil rich countries. But it must be eternally remembered that in early years of its independence, just the right oil strategy policy pursued in Azerbaijan played so great undeniable roles in resolving economic, social political problems, not only in home issues but indirectly influenced on hard neighbourhood affairs settling respectively.

Those years Azerbaijan underwent occupation by Armenia, being at the threshold of a high level inflation and suffering so greatly, it could lift the expected economic danger thanks to oil revenues. Today we see this reality and its benefit correctly and one easily feels that the subsoil resources of which oil is the wealth of all people of Azerbaijan as Heydar Aliyev, national leader of the Azerbaijan people, stated repeatedly.

Though in practice the “Dutch disease” in connection with the oil sector growth is said to be dangerous but for now this so called danger hasn’t been seriously observed in Azerbaijan yet. Surely, the operative activity of SOCAR in finding a successful solution of this question is undeniable. The foundation instituted on 29 December 1999 was subjected to the oil revenues accumulation and its direction to the fields regarded much more important. At present SOCAR is hoped greatly for delivering the oil revenues of Azerbaijan to the next generations. Nowadays oil price boost in the world causes the rise of the foundation assets respectively.

The revenues from the Caspian Sea carbohydrogen reserves are subjected to the regional development and human capital above all, which a leading part of the strategy pursued by the government of Azerbaijan. It is a fact that if the economic development grounding on the petrodollar revenue is misruled, mismanaged and miscontrolled it will influence on agrarian sector, education, public health, tourism, ICT and other disciplines backing.

In state programmes implementing for this purpose also the tourism promotion as well as ICT as a non-oil sector and agriculture may be estimated the economically problem solution as a successful way. From this view point one may think of tourism as a brunch distributing incomes between an oil sector and other fields.

## **Why tourism?**

- First of all we can state that the tourism said to be one of wonders of the modern world and its perspectives in Azerbaijan are valued highly. Besides its rich tourism reserves, Azerbaijan having western inclination can display a reliable partnership challenge in the uncial tourism product exchange between oil rich countries Iran and Russia as well. And this one in its turn

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sounds wonderful in establishing a wide range infrastructure web for long term projects realization to which our partners are interested.

- Secondly, one mustn't forget that oil is a temporary phenomena. Its reserve has come down all over the world, the more it is price rises the more market situations become risked and its indefiniteness rises up. Considering the control over the oil business of big companies, of the big powers, hoping alternative energy sources basing on new scientific investigation technologies able to substitute carbohydrogen energy systems (for some information these sources constitute 13%) clear up the necessity of the economy dependence from oil of oil exporting countries as Azerbaijan.
- Azerbaijan is a land where different cultures develop together. By saying Azerbaijan majority of the people think about the Caspian Sea firstly and the three "SSS" (Sea, Sun, Sand) as a place for to rest, but one must think that besides the stated factors there are the most effective and rare LLL (Lore, Landscape, Leisure) resort forms inclusively. The historical heritage the country obtains gives an opportunity to establish a tourism product corresponding to this. But when speaking about tourism promotion problems about Azerbaijan it is better not to approach the problem for its geographical points of view but above all from management points of view and even deeply.
- The existing tourism reserves in Azerbaijan were utilized very less. So that, it may be more magnificent for the tourists visiting the region.
- As all oil-extracting industry complexes of the Azerbaijan Republic are in the Caspian Sea and Absheron peninsula (only around 1-2% of the able bodied people were engaged to works here) the population of the other regions practically have no opportunity to be hired to working in this field. But as the tourism reserves exist in several places of the country to use of them rationally for this purpose can normalize a good climate not only for the incomes from tourism but also for a fair distribution of the oil revenues respectively.
- Therefore oil contracts signed and a lot foreign investors engagement to this branch, a business tourism promotion began to earn a new prestige in Azerbaijan, besides the leisure tourism. So that, since the oil contracts signed in 1994 the business tourists flood to our country began to pass its intensive stage. It is a fair to say that usually the business tourists are differed from the others for their high demands and they are considered the most profitable tourists from economic points of view. The tourists of this category usually possess much more foreign currency which they take easy to spend much money for local residents. In this condition the

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business tourists visiting our country may be estimated as ready contribution of the oil sector directly to the tourism sector as well. If complex tourism services are proposed to the business tourists and their families already operating in Azerbaijan, and also our local citizens trying in this field with a higher payment, it at least will cause them to spend a part of the money earned from our oil for the favour of our country.

- The multiplier effect of a tourism tried in the world practice is too suitable to the initiative of establishing new work places in the regions of the domestic economic policy of the Azerbaijan government.
- The least wage difference occurring between oil sector workers and non oil sectors is at present in the fields of a tourism service.
- The lost tourism benefits from the tourism regions of Azerbaijan which is under occupation of Armenia at present and from “Kalbajar-Garabagh” tourism sub-region as a tourism-health centre stretching towards the Eastern European countries since the former USSR time and as a result of which today we can't get the expected tourism incomes, in the nearest future will be a fundamental argument to demanding an indemnity from the occupation Armenia for the damage committed against Azerbaijan.

## **Conclusion**

Thus, by effective and rational use of oil revenues in Azerbaijan at present and its impacting to a tourism promotion can influence over the desired “underground gold” change into “over ground gold” scenario successfully. The essence of this target to be going to be focused by so many interested countries is to lift the questions said to be unsolved in a tourism promotion in Azerbaijan grounding on oil revenues indeed.

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