

FOREIGN ENTREPRENEURS CAN BENEFIT FROM KOBİA'S SUPPORT & SERVICES TO BUILD A BUSINESS IN AZERBAIJAN.

Micro, small and medium businesses (SMEs) make up the vast majority of enterprises in Azerbaijan, like in most countries of the world. Approximately 99.6% of Azerbaijan's enterprises represent small and medium-sized businesses. 93.3% is comprised of micro-businesses, 4.5% represent small enterprises, and 1.8% accounts for medium-sized enterprises. In Azerbaijan, SMEs mainly operate in trade, construction, processing, agriculture, logistics, and other areas. SMEs play a significant role in developing trade, economic, and business relations between countries.

Chairman of the Board of the Small & Medium Business Development Agency (KOBİA) of the Republic of Azerbaijan, **Orkhan Mammadov**, shared this information and more in his interview with Forbes.



Orkhan Mammadov noted that KOBİA actively participates in improving the country's business climate by providing information, doing consultations, teaching training courses, and coordinating the activities of entrepreneurs in areas such as improving government services for businesses and protecting the interests of SMEs, as well as optimizing access to knowledge, innovation, markets, and financial resources. Furthermore, acting as a bridge between government institutions and entrepreneurs, the Agency helps SMEs through state support mechanisms and services provided at all stages, from establishing micro, small, and medium businesses to expanding entrepreneurial activity.

Mr. Mammadov also noted that the Agency can support foreign entrepreneurs willing to start a business in Azerbaijan by coordinating with the relevant institutions, finding reliable local partners, and rendering other assistance. "Foreign entrepreneurs wishing to launch a business in Azerbaijan can also take advantage of KOBİA's support and services. For example, the Agency has special representatives in the regions called the SME Friend network. SME Friends can support investors by finding business opportunities and local partners in the country's regions. In addition, the Agency has close ties with local business associations."

KOBİA also plays an active role in attracting foreign investment to Azerbaijan. Foreign businesspeople can apply to KOBİA to invest in Azerbaijan and implement joint projects with local entrepreneurs. According to Orkhan Mammadov, the Agency regularly raises awareness among local and foreign entrepreneurs about public-private partnerships and investment opportunities in Azerbaijan. "I would like to invite foreign companies to invest more in Azerbaijan. The country has great economic potential, and I am sure every company will easily find a suitable area for its business activity in Azerbaijan. Moreover, the favorable geographical location of Azerbaijan provides easy access to regional markets. Furthermore, Azerbaijan has the necessary legal and institutional framework for protecting and promoting foreign investment. Our country's favorable investment climate offers equal rights and opportunities to all investors. At the same time, business registration and other services take place electronically. Additionally, the Alat Free Economic Zone provides foreign companies with further incentives to operate in Azerbaijan."

The Chairman of the Board of KOBİA noted that the Agency provides information, coordination, consulting, and other services to foreign companies wishing to establish businesses and invest in Azerbaijani territories liberated from occupation. "As



a result of the 44-day Patriotic War, Azerbaijan won a glorious victory and restored historical justice and its territorial integrity. Following the instructions of the President of the Republic of Azerbaijan, large-scale measures are underway to restore the territories liberated from occupation and ensure their rapid integration into the national economy, their sustainable development, the construction of the most modern infrastructure, and the creation of decent living conditions. During this process, the participation of the private sector alongside the public sector will open new business opportunities, accelerating the development of the territories freed from occupation. The liberated territories have great potential for entrepreneurial activity and investment. Since December 2020, local and foreign businesspeople wishing to start a business in the liberated territories and offer work and services have been submitting applications. As of 1st November 2022, KOBİA has received more than 1,300 applications covering trade, services, construction, industry, agriculture, and tourism. The applicants include foreign companies that have submitted over 400 applications so far."

Mr Mammadov stressed that foreign entrepreneurs and investors could present their business projects to KOBİA if they wish to establish a business in the liberated territories of Azerbaijan. Entrepreneurs applying to the Agency will be provided with detailed information about the economic and investment potential of the liberated territories, professional consulting services, coordination with relevant government agencies, support, and services aimed at identifying local partners.