



# Bridge building in Baku

**Baku Airport resembled a building site for years, but things may be improving**

ANDREW CHUTER/BAKU

**T**HE TERMINAL at Baku's Bina Airport stands like a monument to the collapse of the Soviet Union's writ in Azerbaijan in 1991. The building has lain uncompleted and virtually in ruin, the funds required to complete the project having dried up several years ago with the retreat of the Moscow-based company undertaking the work.

On the face of it, the bungle at Baku is a story of decline familiar to the air-transport industries of many of the Commonwealth of Independent States. Azerbaijan, however, may be about to buck the trend. The reason is oil. The tiny nation of just 86,600km<sup>2</sup> and a population of 7.2 million people situated on the Caspian Sea is potentially the world's third-largest oil producer.

With oil reserves estimated to be only 20% less than those of Saudi Arabia, the country is on the verge of an investment boom expected to top \$60 billion over the next 30 years.

Work on exploitation of the reserves by mainly Western European and US oil companies has brought with it the start of a steady growth in international air travel and freight which the Azerbaijanis, belatedly, have recognised requires a commensurate upgrade to the nation's airports, airline and related infrastructure.

Much of the credit for the change results from a change of management at the country's civil-aviation authority. Some 18 months ago, Djanguir Askerov became director-general of the State Concern of Civil Aviation (AZAL), which includes Azerbaijan Airlines.

## DIFFICULT INHERITANCE

The ex-Antonov An-2 pilot inherited a deteriorating air-transport infrastructure suffering from a combination of run-down airports, out-of-date air-traffic-control (ATC) systems and poor management, allied to the more general malaise created by a weak economy, low wages and corruption.

Many of those problems still exist, but the changes which Askerov's accession have brought about hold the promise of better things to come. "We were a monster who couldn't make a turn: now, within 18 months, we have starting moving towards international standards," he says.

His first big policy change may eventually be the most enduring. In a major management reshuffle, AZAL has been split into six separate operations: Azerbaijan Airlines; Airports; Azeraeronavigation (the national ATC operation); an in-flight catering company; and AZAL Cargo, a freight handler.

The catering company is already up and running as a joint venture with Dubai-based specialist Abela. The new operation, with purpose-built arrangements at Baku, uses Abela's expertise and cash in return for a supply monopoly lasting well into the next century.

It is a formula which the cash-starved Azerbaijanis would like to see repeated in other sectors. Talks are already in the final stages for a joint venture on passenger- and ground-handling services at Baku. Askerov says that he would also like to see a maintenance centre created in the next two or three years.