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## PREFACE

This book is a collection of the major articles published during 1994 in the weekly magazine, "Azerbaijan: Policy and Economy," of the Center for Strategic and International Studies (CSIS). Selected articles from the beginning of 1995 are also included.

CSIS is a non-governmental public policy research institute providing independent expertise and strategic perspectives on political, economic and security issues.

The book is the first volume of a two volume set, primarily covering economic issues. The second volume will contain foreign and domestic policy analyses and a commentary about the major events of 1994.

The first volume elucidates the main problems and trends of the political and economic development of the Azerbaijani society during a tumultuous transition period. The political, social and economic changes necessary for the transition from a totalitarian regime towards a more democratic society have been further complicated by the military confrontation with neighboring Armenia and the continued efforts of the nation to maintain and nurture its independence.

1994 presented many problems to the Azerbaijani people and their leadership. Some of these problems, such as ones in foreign and economic policy-making, were also marked by significant positive changes. Still others are waiting for a completed solution. The complicated geopolitical conditions of Azerbaijan compound the challenge posed by the process of the political and economic development of the Republic.

As Azerbaijan struggles with the uncertainty of a new market society and the crucial issues of re-organization, the success of reforms in the society will depend not only upon the political strategies of the leadership and the actions of the citizenry, but also, to a large extent, upon the degree of participation of the world community in these affairs.

largest deposit of natural ceolythis, a mineral widely used in more than 250 branches of agriculture, live-stock breeding, industry, medicine and perfumery. In particular, ceolythis is applied as a fertilizer, soil-improver, meliorant, additive to mixed feed for animals, birds, fish, for the production of detergents, filters for cleaning drinking and sewage waters, for manufacture of paper and plastic, desactivation of radioactive and chemical contaminations. Ceolythis was widely applied in Chernobyl.

Since 1994 the "ISTC" has started extracting, processing and realizing at home market natural ceolythis used by enterprises of chemical industry, live-stock complex and the industrial association "Bakvodoprovod" which applies it in water-cleaning filters. The same year the Cabinet of Ministers granted state credits to the "ISTC" to purchase necessary machinery and equipment. At present there is assembled and operates an experimental installation for dressing and modification of natural ceolythis with capacity up to 2,000 tons a year. The installation allows to process the natural ceolythis like synthetic one while the cost of synthetic ceolythis as 7-10 times as many exceeds the cost of the natural ceolythis. The "ISTC" has great production capacities that enable it to extract and process up 100,000 tons of ceolythis in 1996-1997. Besides, there are metal-processing shops to manufacture containers of galvanized iron, and in particular, pails and metal slate. There are also shops to cast aluminium articles, produce ashlar flagstone and construction blocks of ceolythis wastes.

At present the biggest enterprises of the "ISTC" are "Azertseolit", International Industrial Company "TetisPetroleum" dealing with the production and exploitation of small-seized oil-processing plants, the "Interacat-Company" dealing with deliveries and repair of import technology. Besides, there operates in Sankt-Petrbourg the branch firm "Neva\_Tetis Comapani" engaged in commercial activity. The "ISTC" also includes commercial firms located in Gyandja, Guba, Lenkoran, Ali-Bayramly of the Azerbaijan Republic.

Total number of those employed in the "ISTC" is 200, their overwhelming majority has higher education. Besides, many experts collaborate in the Association on contractual basis.

Among problems facing the Complex there are replacement of obsolete equipment and machinery by newer and modernized ones, extension of capacities for manufacture of the natural ceolythis and, in particular, packaging lines for free-flowing products, closed elevators, mining machinery and freight transportation facilities. There are great problems in acquisition of large containers for free-flowing products (50-100 kg bags) and polyethylene packings (0.5-1 tons).

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