

RESEARCH
ARTICLE**Economic development in the Karabakh region****Gasimova Yagut, Gulu**

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Abstract

Following the liberation of the Karabakh region from occupation, Azerbaijan has launched systematic and strategic efforts to consolidate its political victory and accelerate socio-economic development. These efforts encompass large-scale restoration and reconstruction initiatives that aim not only to rebuild infrastructure but also to revitalize cultural and economic life in the region. The ongoing reconstruction process promises to introduce innovative dynamics into the national economy, creating new opportunities for sustainable development. Karabakh, known for its ancient history and rich cultural heritage, holds a significant place in the collective identity of the Azerbaijani people. It is home to numerous historical monuments, literary and artistic traditions, and a wealth of musical and folk customs. These attributes reflect the deep-rooted cultural continuity of the region and contribute to its potential as a hub of tourism and creative industries. Moreover, the region's biodiversity, including essential, aromatic, medicinal, and ornamental plants, presents opportunities for agricultural diversification and the development of niche industries. The nightingale flower of Shusha, a symbolic plant associated with the city, has also become a national emblem commemorating the martyrs of the Patriotic War and symbolizing rebirth and remembrance. In conclusion, the reconstruction and economic revitalization of the Karabakh region not only contribute to Azerbaijan's territorial integrity and national pride but also pave the way for its transformation into a modern, economically vibrant, and culturally significant region.

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Economic potential of Karabakh

After the liberation of our occupied territories, Karabakh will contribute to the expansion and diversification of the Azerbaijani economy. Azerbaijan won a brilliant victory in the 44-day war and restored its territorial integrity. Azerbaijan is entering a new stage of development.

Karabakh has a large raw material base. Let's look at the industrial potential of the region. We can evaluate it in 4 main directions:

-Abundant water supply, electricity, industrial recreation opportunities, and rich mineral processing.

Along with its fascinating nature, Karabakh has underground and surface resources, rich economic potential, and extensive tourism opportunities. These regions of ours are favorable in terms of agricultural superiority, raw material base, and processing industry production. If we pay attention to the main parameters of the economic potential of these territories, we will see that as a result of Armenia's plunder and exploitation, the infrastructure of the region has been reduced to a non-existent level. As a result of the occupation, thousands of hectares of arable land have been contaminated with military waste, and billions of manats of damage have been caused to the Azerbaijani economy and the world's gene pool.

According to statistics, 7 regional centers, 6 cities, 12 settlements, 830 villages, 700 hospitals and medical institutions, 6 state theaters, 368 clubs, 85 music schools, 600 industrial and agricultural enterprises were destroyed and looted in the occupied territories, more than 1 million hectares of agricultural land, including approximately 128 thousand irrigated lands, and about 35 thousand hectares of vineyards and orchards were destroyed and taken out of circulation. Before the occupation, 24% of the country's GDP production, 41% of grape production, 46% of potato production, 18% of meat production, and 34% of milk production fell to those regions.

25% of the total forest area, or 280 thousand hectares, was once occupied lands. The enemy has extracted a large amount of gold in Kalbajar through the illegal exploitation of our natural resources.

Development prospects of the Karabakh economy

The economic potential of the lands liberated from occupation is multifaceted and covers various areas of agriculture, industry and tourism. These lands have great potential for the development of viticulture, tobacco, cotton, cocoons, fruit and vegetable, melon and livestock farming. Corn, peas and grapes are characteristic plants of the region. It should be noted that Fuzuli and Agdam regions were among the leading regions in the country in terms of cotton, grain and grape production before the occupation. Jabrayil, Gubadli and Zangilan regions also distinguished themselves in viticulture. Livestock breeding was very developed in Lachin, Kalbajar, Gubadli and Zangilan. As can be seen, the natural resources and agricultural potential of our territories liberated from occupation can create conditions for a faster recovery of the economy in the region.

Up to 40 percent of Azerbaijan's mineral water resources were in the occupied territories. Among them, the following mineral waters are particularly noteworthy: Yukhari and Ashagi Istisu, Bagirsag, Keshdek in the Kalbajar region, Ilqisu, Minkand in the Lachin region, Turshsu, Shirlan in the Shusha region. It is possible to both package and sell these waters and create resort and recreational zones on the springs.

Today, the priority goals are to clear the liberated territories of mines and return former internally displaced persons to their homelands as soon as possible. The construction of the Fuzuli-Shusha road and Fuzuli airport has already begun, the foundation of the Horadiz-Zangilan-Aghband railway has been laid. The Gulabird Hydroelectric Power Plant has also been commissioned in the Lachin region, and the first stage of supplying the city of Shusha with electricity has been completed. The world's most advanced technologies are aimed at stimulating the use of alternative energy and ensuring ecological balance. For this, there are wide opportunities

to use wind energy in the Lachin-Kalbajar regions, and solar energy in the Zangilan-Jabrail regions. The Karabakh territory, which is planned to be restored as a "green energy" zone, will be one of the most modern settlements in the world. Programs are being developed to ensure employment for residents returning to their lands. Along with the restoration of traditional areas of occupation, the creation of new types of employment is also an integral part of the plans prepared by the state.

Thus, there is no doubt that the new conditions created in the region as a result of Azerbaijan's victory promise good prospects for our country and the region. As Azerbaijani President Ilham Aliyev emphasized, we will soon turn our native Karabakh into a paradise. The rapid implementation of the work and measures being carried out in the liberated territories gives reason to say this.

Restoration work has already begun on the liberated lands, and funds have been allocated from the state budget for this. In addition, by the Decree of the President of the Republic of Azerbaijan Ilham Aliyev dated January 4, 2021, the "Karabakh Revival Fund" was established in order to ensure a modern and decent life for sustainable settlement in the liberated territories, to carry out construction, restoration and improvement works in all areas, as well as to support safe living, efficient activity and continuous growth of well-being. This fund is a public legal entity that provides financial support and attracts investments to measures taken towards the restoration and reconstruction of the liberated territories of the Republic of Azerbaijan, as well as transforming it into a region with a sustainable economy and high prosperity, the development of public-private partnership in this area, as well as carrying out necessary promotional work inside and outside the country. The Decree emphasizes that the Azerbaijani people, having liberated their territories from the Armenian occupation, have entered the most memorable and glorious period in their history. It is noted that the restoration of the territorial integrity of the country is a demonstration of the supremacy of international law and national-moral values for our state. The restoration of our territories, whose material and cultural wealth was plundered by Armenian invaders for nearly thirty years, will be one of the important pillars of strengthening the country's political and economic sovereignty. Settlement, decent living and economic activity will be ensured in the regions liberated from occupation, and the construction and reconstruction work to be carried out in these territories will not only further strengthen the foundations of our country's socio-economic development, but will also be an important stage in the new development process of Azerbaijan.

A number of friendly countries have expressed their desire to participate in the process of restoring our liberated territories. The Azerbaijani state has also announced its intention to cooperate with friendly

countries in this area. Concrete cooperation with foreign companies in the field of construction work has already begun in Karabakh. Thus, a supply agreement has been signed between "Azerenergy" OJSC and the Italian company "Ansaldo Energia" in the field of mutual cooperation in order to create an electric power infrastructure in the liberated territories of Azerbaijan. According to the agreement, the Italian company will supply 4 110-kilovolt substations to be built in Aghdam, Fuzuli, Kalbajar and Gubadli regions with equipment. Based on the "Cultural and Scientific Cooperation" memorandum signed between the "GOSB" technopark operating in Turkey, which supports 130 technology companies, and the Azerbaijan Innovation Agency, a High Technology Park will be established in Karabakh. It is planned to conduct the latest "soft" and "hard" scientific research in the park, as well as produce high-tech devices.

Azerbaijan and Hungary have discussed the participation of Hungarian companies in the reconstruction of territories in Karabakh. Hungary's EximBank has opened a \$100 million credit line for Hungarian companies that intend to participate in the reconstruction program. As part of the elimination of the consequences of the war, Hungary has offered a grant of 25 thousand euros for the clearance of territories from mines. Great Britain has said that it can assist Azerbaijan in clearing the liberated territories of Karabakh from mines and unexploded ordnance.

Thus, once security is ensured in Karabakh, infrastructure is renovated, and demographic issues are resolved, it seems realistic to implement complex projects for organizing tourism.

The tourism opportunities of Azikh Cave, one of the oldest inhabited places in the world, are very extensive.

By implementing innovative agricultural models in these areas, the income from the agricultural sector of these areas alone could be measured in billions of dollars.

With its vast ore reserves, the mining industry and metallurgy will develop, ensuring a large amount of revenue flow to the Azerbaijani economy.

The reintegration of the territories liberated from occupation as a result of the victory into the country's overall economy, and the use of the opportunities of new international and regional transport and logistics corridors will give a great impetus to the development of Azerbaijan. In this context, the formation of security, stability, prosperity and mutually beneficial cooperation in the region, as well as the development of economic and trade relations, will further strengthen the role of Azerbaijan, the leading state of the South Caucasus, in determining the overall architecture of the regional economy.

Main directions of industrial potential

Successful socio-economic and political achievements, national and multicultural values create confidence that the power of Azerbaijan, the crossroads of East and West, will further increase in the coming years.

Upper Karabakh and our occupied surrounding regions, in addition to their historical and cultural value and fascinating nature, have underground and surface resources, rich economic potential, and extensive tourism opportunities. These regions are favorable in terms of agricultural advantages, raw material base, and processing industry production. If we pay attention to the main parameters of the economic potential of these territories, we will see that as a result of Armenia's plunder and exploitation, the infrastructure of the region has been reduced to a non-existent level. As a result of the occupation, thousands of hectares of arable land have been contaminated with military waste, and billions of manats of damage have been caused to the Azerbaijani economy and the world's gene pool.

According to statistics announced by Deputy Minister of Economy Niyazi Safarov, 7 regional centers, 6 cities, 12 settlements, 830 villages, 700 hospitals and medical institutions, 6 state theaters, 368 clubs, 85 music schools, 600 industrial and agricultural enterprises were destroyed and looted in the occupied territories, more than 1 million hectares of agricultural land, including approximately 128 thousand irrigated lands, and about 35 thousand hectares of vineyards and orchards were destroyed and taken out of circulation. Before the occupation, 24% of the country's GDP production, 41% of grape production, 46% of potato production, 18% of meat production, and 34% of milk production fell to those regions. The occupation caused serious damage to the country's water resources. 25% of the total forest areas, that is, 280 thousand hectares, fell to the occupied territories. The enemy has extracted a large amount of gold in Kalbajar through the illegal exploitation of our natural resources.

The statistical data we have mentioned give a certain idea of the scale of the work to be done. Therefore, the development of Nagorno-Karabakh and the surrounding administrative regions of Lachin, Kalbajar, Gubadli, Zangilan, Jabrayil, Aghdam and Fuzuli requires a comprehensive approach covering numerous and diverse sectors. Naturally, here, first of all, special attention should be paid to security and management issues. Ensuring security means clearing territories from mines and eliminating biological and ecological violations that pose a threat to life. The organization of border service and police control, and the activities of state bodies, cover administrative management issues. Currently, the process of restoring various service areas in the territories liberated from occupation is ongoing. Within the framework of the "Azerishig" Karabakhda" project,

OJSC is implementing urgent measures to provide strategic facilities of particular importance in the liberated territories with electricity. As noted by the officials of the enterprise, projects have been prepared for the creation of new power centers in the liberated territories, the creation of 110, 35 and 0.4 kilovolt networks using the most modern technologies, electronic relay protection and automation systems, and a remote dispatch control system, and the laying of 35 and 0.4 kilovolt power transmission lines using ÖIN wires, and these projects are planned to be implemented in stages.

“Azercell Telecom” LLC, in turn, is installing its first mobile infrastructure and fourth-generation LTE radio base stations in the liberated territories. Other mobile operators - “Nar” and “Bakcell” companies - are also completing internal design work in this direction and implementing their action plans.

According to the conclusion of the deputy of the Milli Majlis, economist Vugar Bayramov, the economic potential of our regions liberated from occupation after the restoration processes, especially Lachin and Kalbajar, as well as their share in the gross domestic product of the country, shows that it is possible to increase the economy in those areas many times. The economic potential of the lands liberated from occupation is multi-spectrum and covers various areas of agriculture, industry and tourism.

The lands liberated from occupation have great potential for the development of viticulture, tobacco, cotton, cocoons, fruit and vegetable growing, melon growing and livestock breeding. Corn, peas and grapes are among the characteristic crops of the region. It should be noted that Fuzuli and Agdam regions were among the leading regions in the country in terms of cotton, grain and grape production before the occupation. Jabrayil, Gubadli and Zangilan regions also distinguished themselves in viticulture. Animal husbandry was very developed in Lachin, Kalbajar, Gubadli and Zangilan. As can be seen, the natural resources and agricultural potential of our territories liberated from occupation can create conditions for a faster recovery of the economy in the region. Jabrayil, Agdam and Fuzuli administrative regions have a large raw material base. These regions contain gold, copper, mercury, iron, marble, chromite, perlite, ahang, agate, as well as raw materials for construction materials. For example, the reserves of most of the construction materials for the reconstruction of the liberated Jabrayil are located in this region itself: Tulus tuff, Chakhmagchay, construction sand, Karajalli clay suitable for the production of sawn stone, volcanic ash suitable for the production of cement, gneiss, limestone, sand and gravel, jade, chalcedony and forest resources. Vejnali in the Zangilan region, Qizilbulag in the Aghdara region and Zod in the Kalbajar region are gold deposits rich in industrial resources. By attracting new natural resources into circulation, the development of the western region of Azerbaijan has the potential to ensure

the growth of the mining industry, as well as the metallurgical complex. The development of metallurgy would accelerate the development of a number of industrial sectors in Azerbaijan, as well as the military industry. The Center for Analysis of Economic Reforms and Communication states that, initially, the future exploitation of minerals can be carried out in three directions: non-ferrous metals and their metallurgy, construction materials and rare metals. Non-ferrous metals and construction materials are areas typical for the traditional economy, and existing reserves will allow the emergence of new forces in these areas. In addition, research and geological studies can be carried out on the presence of rare metals in the region, which are widely used in high technologies. We can assess the industrial potential of the region in 4 directions: rich water supply, electricity, industrial recreation opportunities and processing of rich minerals. The region is also favorable for the development of the processing and food industries.

Our lands liberated from occupation are also rich in mineral and thermal water sources. These resources will be used for drinking water, land reclamation, and electricity generation. By effectively managing water resources, Azerbaijan will both put an end to the hydrowar waged by the enemy against our country and gain control over Armenia itself. Here, I would like to especially emphasize the fresh water resources of the Kalbajar and Lachin regions. With the liberation of the Sarsang reservoir, the highest reservoir in Azerbaijan in terms of height (125 meters) and a total water capacity of 560 million cubic meters, the Terter, Agdara, Barda, Goranboy, Yevlakh and Agjabedi regions will be provided with irrigation water. In addition, the liberation of the Khudaferin reservoir located in the Jabrayil and Zangilan regions will mean the irrigation of 75 thousand hectares of new territory. It is also assumed that there are 11 underground fresh water sources in the region.

Up to 40 percent of Azerbaijan's mineral water resources were in the occupied territories. Among them, Yukhari and Ashaghi Istisu in the Kalbajar region, Bagirsag, Keshdek, Iligsu, Minkend in the Lachin region, Turshsu, Shirilan and other mineral waters attract particular attention. It is possible to both package and sell these waters and create resort and recreational zones on the springs. Speaking of the industrial recreational opportunities of the region, we should note that the main electricity production coincides with the areas of water collection and supply. We are talking, of course, about the Sarsang and Khudaferin HPPs. The relevance of the agreement reached with Iran on the construction and operation of the Khudaferin and Qiz Qalasi dams and power plants on the Araz River, which President Ilham Aliyev foresaw, is increasing today. The "Khudaferin" hydroelectric complex will allow Azerbaijan to produce 368 million kilowatt-hours of electricity per year. There are also irrigation opportunities here.

As can be seen from the research we conducted and the expert opinions we referred to, the industrial and agricultural potential of Nagorno-Karabakh and its surrounding administrative districts of Lachin, Kalbajar, Gubadli, Zangilan, Jabrayil, Aghdam and Fuzuli is extensive. The raw material base and natural resources are quite large. All this gives reason to say that the economy of that region will develop rapidly in a short time after the restoration process.

Tourism development

The Karabakh region, a mountainous zone of the Lesser Caucasus, is famous for its various natural monuments, forests, and rare plant and animal species. The total forest area of the region is approximately 246.7 thousand hectares, including 13,197 hectares of valuable forest areas. In order to protect the natural landscape and rare plant and animal world, a number of reserves and sanctuaries once existed in the liberated territories of the Lesser Caucasus. These are the Basitchay Reserve, the Garagol Reserve, the Lachin Reserve, the Gubadli Reserve, the Dashalti Reserve, and the Arazboyu State Nature Reserve. In the reserve located in the Basitchay Gorge in the Zangilan region, the plane tree forest stretched along the river for 12 kilometers. The trees growing here were up to 500 years old. The oriental plane tree, distinguished by its antiquity, was once included in the "Red Book". All this shows that the Karabakh region has great potential for the development of tourism based on its rich nature, flora and fauna, and ancient historical monuments. The tourism opportunities of the Azikh cave, one of the oldest inhabited places in the world, the ancient stone monuments discovered in the mountainous and plain parts of Karabakh - the dolmens in Khojaly, the cromlechs in Khankendi, and historical temples such as Ganzasar (Ganzasar), Alban-Amaras, Yelisey, Khudavang, and Agoglan are especially wide.

Today, there are about 50 hotels in the territory of Karabakh. There are also facts that several foreign companies invested in this region during the occupation. We believe that the illegal, criminal activities of such companies in the territories of Azerbaijan will be unequivocally stopped. Entrepreneurs who invest will also be held criminally liable for their illegal activities.

After security is ensured in Karabakh, infrastructure is renovated and demographic issues are resolved, it seems realistic to implement complex projects for the organization of tourism. On this platform, thanks to the joint efforts of the state, private sector and scientists, the tourism potential of Nagorno-Karabakh should be developed from scratch, and natural and anthropogenic tourism resources should be considered. Since Karabakh is mainly a mountainous area, I would like to specially mention mountaineering and mountaineering tourism. I think that Karabakh will develop as an ecotourism and

ethnotourism zone due to the richness of its nature, antiquity, and historical and cultural monuments. It will be a region that tourists will visit as one of the most beautiful tourist destinations in the world.

Along with the development of tourism in Karabakh, the restoration of the monuments falsified by the Armenians to their history is one of the important issues awaiting resolution. The restoration of museums looted as a result of the Armenian occupation, the creation of new museums, including the organization of a museum complex reflecting the glorious victory of the Azerbaijani Army in Shusha would be important. In my opinion, in order to materialize the traces of Armenian fascism and vandalism in human history, examples of buildings destroyed and turned into ruins in each of our liberated regions should be preserved as historical exhibits. As historical evidence of the countless crimes of the Armenian occupation policies, these exhibits will clearly explain the essence of Armenian fascism to future generations, our compatriots in the world, and the world community in general. The new economic value to be created in the liberated territories will many times exceed the financial costs of the Azerbaijani state. With the restoration of these territories, a large number of new jobs will be opened. Thus, the implementation of new infrastructure projects will have a positive impact on the employment of our citizens. The development of the economy will create the basis for the creation of new jobs. The victory of our victorious army will give impetus to the growth of the non-oil sector and the further prosperity of the Azerbaijani economy.

Agriculture

In order to maximize the potential of the agricultural sector, as well as the socio-economic and natural opportunities of this region, a modern development strategy with new content in this area, in accordance with the principles of market demands, competitive conditions and economic management environment, should be developed based on the "Strategic Roadmap for the Production and Processing of Agricultural Products in the Republic of Azerbaijan" and "State Programs for the Socio-Economic Development of the Regions of the Republic of Azerbaijan" issued by the President of the country on December 6, 2016.

1. In order to develop this new development strategy, agricultural management must be scientifically justified in terms of the concept of sustainable development,
2. In order to conduct the management of the agricultural sector in the region on a scientific basis, facilitate access to investment, financial and credit resources for entrepreneurs and farmers, as well as attract local and foreign investors to this field on more favorable terms, it is necessary to prepare an encyclopedia of the region and administrative district and an investment map

on this basis, and link it with electronic agriculture, 3. A sustainable development concept should be developed for the region, taking into account its entire socio-economic and natural development potential;

4. Future strategic development plans for the agricultural sector in the liberated territories should be developed (and tactical options), and an encyclopedia of socio-economic development of this region should be prepared based on mutual assessment in terms of dynamic development (this includes the region's relief, location, level of proximity to markets, its place in the regional market, demographic situation, employment level and, most importantly, the level of efficiency, etc.).

5. The scientific content of the development of the agricultural sector in Bulgaria and its integration with the economic system of our country should be developed, and flexible, tactical development programs with new goals, in line with the modern era, and taking into account current situations should be put forward;

6. It should be determined to what extent the historical structure of the agricultural sector in the region is scientifically sound, complies with market demands, and meets the principles of economic growth, dynamism, and sustainable development of the country.

7. A scientific answer should be given to the question of which products can be produced for the second or even third time in the liberated territories of Azerbaijan, in accordance with the natural and climatic conditions and geographical environment;

8. In the development of the agricultural sector, it is necessary to prepare development forecasts in accordance with the framework of the world market in a globalization environment, as well as in terms of this region's own extensive reproduction, using the experience and expertise of advanced countries, as well as the potential of local scientific experts;

9. The prospects for the economic development of the region should identify the development opportunities of the agricultural sector, as well as trade.

10. A scientific program should be developed taking into account the principle of improving the economic management mechanism of the agricultural sector, strengthening the competitiveness of agricultural products, and gradually reducing market prices;

11. In order for villages in the liberated territories to remain rural, a program for the development of services and infrastructure in rural areas that can respond to the global challenge should be prepared;

12. A scheme-map of processing, recycling and reprocessing of agricultural products in the region should be prepared,

13. It is necessary to investigate the possibilities of providing the agricultural sector with machinery, fuel, organic and inorganic fertilizers in the region and show ways of development.

14. A modern infrastructure for the storage and sale of agricultural products, as well as a scientific system for regulating the food market, should be created, which will play an important role in increasing the income of agricultural producers in the region.

The rich gold and other ore deposits of the liberated territories are attractive not only for Azerbaijan, but also for foreign investors. The development of the Vejnali gold deposits in the Zangilan region and the Soyudlu (Zod) gold deposits in the Kalbajar region promises large foreign exchange flows to our country. In addition, the transfer of the "Qashgachay "Elbaydash" and "Aghduzdagh" ore deposits in Kalbajar to the use of the fraternal Turkish companies "Eti Bakır A.Ş" and "Artvin Maden A.Ş." for a period of 30 years has created a reliable basis for the future development of the gold industry.

The restoration of the Basitchay and Garagol state nature reserves, which existed before the occupation, as well as the Arazboyu, Lachin, Gubadli and Dashalti state nature reserves, will allow for the gradual renewal of our flora and fauna, the improvement of the ecological environment, and will play an important role in the development of ecotourism. Natural meadows, pastures and grazing areas in Kalbajar, Lachin and Zangilan are of particular importance in the development of animal husbandry.

It is worth recalling that the Kalbajar pastures were the main migration site for herds of animals during the Soviet era, and in the pre-occupation periods, livestock farming in more than 30 regions of Azerbaijan took advantage of these pastures during the season. The foundation of the "Great Migration" has already been laid in Kalbajar, breeding sheep and goat farms have been established, and the head of state visited these farms during his visit to this region.

Traditional agriculture has been restored in our territories that were once under the control of the Armenian armed forces, and work has begun to establish modern agricultural farms in the Agdam, Fuzuli, Jabrayil, and Zangilan regions, which have fertile lands for grain cultivation. It is predicted that the steps taken to stimulate the development of agriculture, fruit growing, vegetable growing, and other important agricultural sectors in our liberated territories will lead to an increase in agriculture of up to 9 percent in the near future.

Preliminary calculations show that the volume of added value to be obtained from the Karabakh and East-Zangezur economic regions in the coming years will exceed 2 billion manat. At the same time, economic growth will make a significant contribution to ensuring food security in our country. According to economic calculations and forecasts, after the restoration of economic activity in the territories liberated from occupation, the level of self-sufficiency in food products in our country will reach 90-95 percent from 70-80 percent.

The signing of the "Shusha Declaration on Allied Relations between the Republic of Azerbaijan and the Republic of Turkey" created a different geopolitical landscape in the region. The declaration also included issues such as the opening of the Zangezur corridor connecting Azerbaijan and Turkey, the restoration of transport and communication lines in the region, and the promotion of the opening of international transport corridors. "Reconstruction has begun, infrastructure projects are being implemented, but there is huge potential for the future, and new companies from other countries will also start working. We wish all our friends to participate in reconstruction work and benefit from these opportunities," said President Ilham Aliyev, noting that Azerbaijan's door is open to all states interested in peace and sustainable stability in the region, as well as beneficial cooperation. At the same time, the head of state noted that a historic opportunity has arisen for Armenia, which has so far disrupted the harmony of political and economic relations in the region and slowed down the development of the region, to be represented in multilateral communications and regional projects. The main directions of the development strategy for the liberated territories reflect the solution to the problems facing the region, including the need to abandon mono-profile specialization through the implementation of a new industrial policy, national entrepreneurship and technological initiatives.

Modern realities bring to the fore the necessity of principled decisions aimed at the introduction of new mechanisms that can increase the dynamics of achieving goals. For this, the community of residents of "New Karabakh" managed to wait and endure for three decades before returning to their native lands, despite this, the new residents must eliminate the spirit of defeat that the Karabakh people experienced before, and turn the region into a guarantee of stability and national wealth. If the previous residents were exposed to vital problems, "New Karabakh" is a call for the mastering and creation of innovative technologies in ecology, geology, the use of "smart economy" elements in the construction of new cities and villages. This is the preparation of a new workforce full of creative and enterprising, oriented to a long and healthy life, innovative entrepreneurial energy. This is a careful attitude to the natural environment in places of large-scale economic activity. This is a new

management that uses all the best world practices of foreign and domestic territories and actively involves the competence resources of entrepreneurs, civil society and residents.

The application of these new technologies will form the basis of a new stage of economic development of the region, which is on the verge of developing an innovative economy, the next stage of restoring its former strength. The current generation of Karabakh has the potential to maintain its vanguard role in the economic development of the country, so that future generations can be proud of their achievements and take up the baton of innovation.

They should become locomotives of the regional economy, capable of ensuring economic growth through the synergistic effect of the interaction of many entrepreneurs, scientists, and small firms, which is characteristic of the modern economy of tomorrow.

The methodological feature of Strategy - 2025 is a scientific approach to selecting priority directions of regional development, based on a deep analysis of the economic role of individual sectors in the economy. For this purpose, multiplier analysis, analysis of the impact of changes in a particular sector of the economy on the economy of a region or the entire country, and analysis of the productivity of certain types of economic activity were applied.

Another methodological difference is the zoning of the territory in the interests of optimizing state management. Zoning (also regionalization) is a method of applied state management based on the flexible selection of state economic and social policy instruments for territories with different natural and socio-economic conditions. Another methodological feature of Strategy 2025 is the principle of marketing thinking and the associated cluster development paradigm, which allows determining the mechanisms for ensuring the competitiveness of the economy. Marketing thinking requires a restructuring of the cluster system. From the point of view of the cluster paradigm of economic development, options for the development of inter-sectoral clusters have been proposed, which are considered the most effective for creating innovations.

The main advantage of Strategy 2025 is also its compliance with the priorities of the socio-economic development of Azerbaijan-2030. Thus, the reintegration of the territories liberated from occupation as a result of the 44-day Patriotic War into the country's general economy, taking advantage of the opportunities of new international and regional transport and logistics corridors will give a great impetus to the development of Azerbaijan. In this context, the formation of security, stability, prosperity and mutually beneficial cooperation in the region, as well as the development of economic and trade relations, will further strengthen the role of

Azerbaijan, the leading state of the South Caucasus, in determining the general architecture of the regional economy. Accelerating high, sustainable, inclusive and primarily private-led economic growth in order to continuously increase the level of national social well-being, ensuring the return of the population to the liberated territories constitute the ideological core of the new development highway of Azerbaijan. For the long-term sustainable and rapid development of our country, the successful relationship of the society, business and state triad will be strengthened. Effective and efficient management of the state's role in the economy through market-oriented reforms, strengthening private property institutions, business-friendly public administration, and further liberalization of trade regimes to increase access of local products to foreign markets will be the fundamental factors of economic growth. The development of private initiatives in the country on a creative and innovative basis will ensure that economic resources are directed to areas that create higher added value. The realization of these goals requires the formation of an effective macroeconomic policy framework serving sustainable macroeconomic stability, the strengthening of the medium- and long-term "driving forces" of economic development - the modernization of human capital, the expansion of the digital economy, and the full provision of economic sovereignty.

Tourism is of great importance in terms of the socio-economic development of the country. The development of tourism in various regions, districts, and in the country as a whole creates a favorable environment for fundamentally solving many socio-economic problems. With the development of tourism, it is possible to achieve the creation of new jobs, prevent the mass influx of rural residents to the city, and increase the communication and cultural ties of the population. In regions where tourism is developed, favorable conditions are also created for strengthening intercultural integration. As you know, the development of tourism, like other service areas, gives impetus to the development of other areas in the country. As an advantage of the tourism business, it attracts entrepreneurs due to its characteristics such as the increasing demand for tourist services with a small initial investment, high level of profitability, and income in a short time. One of the main indicators characterizing economic development, its competitiveness, and integration with world countries is the volume of investments made in the economy in the country. Investment activity creates conditions for increasing the overall socio-economic well-being of the country, opening new jobs, solving the employment problem and introducing modern technologies. World experience shows that tourism is a significant force influencing the economy, plays an important role in the

formation of the state budget and stabilizing the trade balance. However, the role of tourism in the economy does not end there. Serving millions of people moving around the world and working in related areas that make up the tourism industry and infrastructure requires the involvement of thousands of workers. In this case, it plays a significant role in solving social problems, employment issues, and raising the standard of living and well-being. Tourism activity can solve the issue of employment in some inaccessible areas.

Thus, it is possible to provide employment to people through tourism in an area where no production is possible. In this case, tourism activity will be viewed not only as offering travel organization services, but also as a source of income for other sectors of the economy and the state. The main issue of importance in investment activity is the promotion and efficient management of investments.

A country's rich resources will facilitate its investments in other sectors of the country through financial investment. Like other resources, if a country has rich tourism resources and potential, and if it can support this with the necessary infrastructure investments and marketing research at a quality and price suitable for the consumer, there is no doubt that the investments to be made in this sector and the income to be obtained from this will create serious benefits for the country's economy. Investments are of great importance for every country. Tourism investment is known as "the acquisition of capital that can be used for more than one year and the purchase of necessary business capital assets for the purpose of continuing a tourism enterprise with satisfactory operating conditions, developing it, maintaining its competitiveness and other purposes. Tourism investment is expressed as all the expenses incurred for the use of buildings, facilities, areas and means of transport established in order to meet the accommodation, food and beverage, entertainment and recreation needs of domestic and foreign tourists visiting a destination for tourism purposes during the time they spend in the said destination.

Of course, there is no guarantee that the region where the investment will be made will not experience economic crises, diseases, viruses or natural disasters and other events. For this reason, tourism investments are considered risky investments worldwide and are supported by applied incentive programs. As in other areas, investments in the tourism sector have some of their own characteristics. People and organizations wishing to invest in this sector need to know what are the important characteristics of tourism investments.

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