



**C4IR**  
CENTER FOR ANALYSIS AND COORDINATION  
OF THE FOURTH INDUSTRIAL REVOLUTION

# **DIGITAL ECONOMY IN AZERBAIJAN**

## **2023**

# #Azerbaijan

## Digitization in Azerbaijan

- Increase the investment multiplier
- Support the economic development
- Ensure sustainable development

## To Do

- Establish relevant infrastructure
- Develop human capital
- Make financial recourses accessible
- Provide cybersecurity
- Leverage 4IR technologies

## The Aim

- Digitalisation of the economy
- Increase of the competitiveness of the country
- Transformation of Azerbaijan into a digital and technological hub (Digital hub)

The law of the Republic of Azerbaijan on "Digital trade"

State Program on expansion of digital payments in the Republic of Azerbaijan for 2018-2020

National Strategy for the Development of Information Society in the Republic of Azerbaijan for 2014-2020

C4IR established

Regulation about the "Digital Government" portal

"DOST" network

Strategic Roadmap for Development of Telecommunications and Information Technologies in Azerbaijan Republic

Establishment of "Government cloud" (G-cloud)

ASAN service

# #Center

- Decree of the President of the Republic of Azerbaijan dated January 6, 2021
- Strengthening the position of the Republic of Azerbaijan in the Fourth Industrial Revolution (4IR)
- Carrying out analyses and coordination of challenges, initiatives, strategies, and projects related to the digital economy
- Hosting the World Economic Forum's (WEF) Affiliate Centre in Azerbaijan and collaboration with the WEF



# #Strategy

## #digitaleconomy

Designing and implementing the strategy for the development of the digital economy

## #cluster4.0

Developing Science-Industry 4.0 Cluster

## #sandboxes

Developing a regulatory mechanism for the advancement of the digital economy

## #mechanisms

Establishing mechanisms to attract foreign talents (simplified visa regime, etc.)

## #4IR technologies

Exploring the application of the 4th Industrial Revolution (4IR) technologies in the national economy

# #DEstrategy

**Hub** for the digital economy in the region and globally

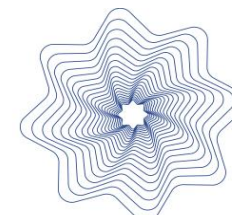
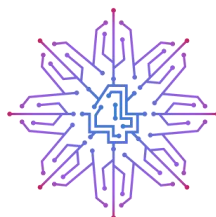
**Help** SMEs go digital and adopt new technologies and business models

**Trust** in the digital economy and new economic opportunities

**Enhance** Digital Infrastructure and Services

**Bridge** the digital divide and prepare digitally skilled human resources;

**Develop** the country's global competitiveness



# #Ecosystem



# #Projects



Mapping the 4IR technologies to ensure the initial application of these technologies in Azerbaijan



Ongoing "IT Hub" Project (EBRD and StrategEast)



Proposals for the creation of new technology and innovation parks in Azerbaijan



Promotion of smart industries in Azerbaijan and smart readiness assessments in related fields



Local subject-related communities (AI, IoT, Blockchain, etc.)



"AZERBAIJAN- Crossroad of human and artificial intelligence" series of events



Developing and implementing a national strategy document on 4IR

# #legislation

## 10 years

#tax  
#social  
#immigration



IT companies



employees



foreign  
citizens

- ❑ all IT businesses operating outside the technology parks will now be considered official residents of the parks;
- ❑ entrepreneurs who receive a resident certificate and engage in system integration, software development, as well as support, and training activities will be fully exempt from profit (20%) and income (14%) tax;
- ❑ 10% dividend tax withheld at the source of payment will be canceled for these entrepreneurs;
- ❑ employees working in these businesses will have an income tax of either 0% or 5%, based on their income amount;

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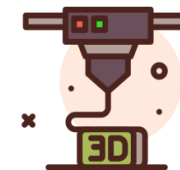
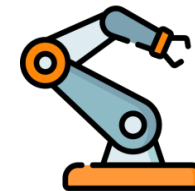
Foreign citizens seeking employment in Azerbaijani IT companies will no longer need a work permit and will be exempt from state social insurance in Azerbaijan.



# #Cooperation

## Areas of interest:

- Testbeds and sandboxes for Industry 4.0
- Digitalization of SMEs
- Education and training programs in the fields of 4IR, digital economy, etc.
- Adoption and application of 4IR technologies (AI, IoT, blockchain, etc.) in the national economy
- 3D printing and additive technologies
- Smart industry and smart readiness assessment (Digital Maturity Evaluation Model)





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