

Businessmen Profit from Karabakh Calm

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Businessmen from Armenia and Azerbaijan are exploiting the lull in the Nagorno-Karabakh conflict to revive trade between the two countries.

Semen Avakov and Boris Akhundov are unlikely business partners.

Avakov, an Armenian from Azerbaijan, and Akhundov, an Azeri from Armenia, fled to Moscow when their homelands went to war 10 years ago over the disputed enclave of Nagorno-Karabakh.

Six years after ceasefire was agreed official relations between Yerevan and Baku remain strained, but businessmen in both countries are keener than ever to trade with each other.

Semen and Boris are co-founders of a company called "Red Bridge" - named after a 19th-century brick bridge, straddling the border between Armenia, Azerbaijan and Georgia, which in Soviet times became a symbol of brotherhood for the Caucasian people.

A Carnegie Foundation opinion poll last year revealed that 22.6 per cent of Armenians consider trade with Azerbaijan a high priority. Indeed, a variety of Azeri goods are now on sale in Yerevan, including tea, sweets and air conditioners. "I am not surprised at all that the caviar, which I sell, is packed in Azerbaijan," said Alik, a salesman at a food fair in the Armenian capital. "I am concerned with the price and quality of the goods, not the nationality of the producer."

Azeri goods arrive in Armenia mainly through Georgia. "I was extremely surprised, when I found in tea boxes with the label "Made in Azerbaijan" in a shop in Stepanakert belonging to one of the commanders of the Karabakh army," says Peter, a journalist from the Czech Republic. "Local colleagues told me that the firm of the trading warlord purchases these goods from Azeris and imports them through Georgia."

Everyone in Yerevan knows the origin of the popular air-conditioner "BK-1500". The Azeri product is in great demand, even the chairman of the National Assembly of Armenia has one.

Businessmen from both countries regularly meet at a shopping centre in the Georgian village of Sadakhlo on the Armenian border. "Armenians and Azeris trading here trust one another. They often sell goods on tick," says the Georgian shopping centre director, Tamaz Supatashvili. An Armenian who often trades in the village said, "Maybe, it's wrong, but I trust Azeris more than Georgians."

In general, though, Armenian and Azeri businessmen choose not to trade so openly. Deals between them are carried out with the assistance of Georgian and Iranian middlemen.

Last summer, an Iranian businessman of Azeri descent, Abdulhasan Mainzadeh, was arrested in Baku for breaking Azerbaijan's energy blockade of Armenia. He admitted he was involved in the transport of fuel from Azerbaijan to Armenia via third countries. Analysts in Baku speculated that the fuel was being used for Armenian tanks in Karabakh.

Although Azerbaijan is less tolerant of the growing business contacts between the Armenian and Azeri businessmen, it is still possible to find Armenian products in Baku.

Fashionable footwear sold at Baku fairs, marked "Made in Italy", is actually produced in Armenia. Even during the worst phase of the Karabakh conflict, youngsters in Baku were happy to wear Adidas tennis shoes made under German license at a factory in the Armenian town of Eghvard. No one, of course, discussed the shoes' origins.

There's also reportedly demand for goods like car-tyres, electrical bulbs and chemicals, which were once produced in Armenia. Armenians are attempting to start manufacturing these products again and, it seems, would not be opposed to them being sold in Azerbaijan.

The trouble is that consumers in both countries are still not ready for a thaw in trade. The Carnegie survey found that more than 50 per cent of Armenians are still not ready for any kind of relations with Azeris. "Some Azeri tea was delivered to our shop," says a saleswoman at a private store in the centre of Yerevan. "We returned the whole consignment to the supplier. Who knows, it might have been poisoned!"

These kinds of attitudes, however, are unlikely to bother Azeri and Armenian businessmen who seem confident that the growing demand for goods in the Caucasus will eventually overcome political animosities.

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