

ECONOMIC SCIENCES

THE HISTORY OF INDUSTRIAL DEVELOPMENT IN THE NAKHCHIVAN AUTONOMOUS REPUBLIC

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Abstract

The Nakhchivan Autonomous Republic, as one of the important economic regions of Azerbaijan, has historically been one of the main centers of industrial development due to its abundant natural resources, favorable geographical location, and long-standing production traditions. Industrial development in the region has evolved under the influence of various political, economic, and social factors throughout different historical periods. This article systematically examines the history of industrial development in the Nakhchivan Autonomous Republic from the late nineteenth century to the present day. The study demonstrates that significant measures were undertaken to expand the region's industrial potential, particularly during the 1970s and 1980s. Following Azerbaijan's restoration of independence, new industrial enterprises were established in accordance with the principles of a market economy, local raw material resources began to be utilized more efficiently, and export-oriented industries were developed. As a result, the industrial sector of Nakhchivan has become one of the principal driving forces of the region's economic development.

Keywords: industry, economic development, production, industrial park, manufacturing industry, non-oil sector.

Introduction

At the present stage, industry is one of the principal sectors of material production and plays a leading role in terms of both the volume and significance of manufactured output. The term industry originates from the Latin word *industria*, meaning "diligence" or "industriousness." Industry is a branch of material production that utilizes natural resources efficiently to manufacture consumer goods as well as products intended for production and technical purposes. It encompasses such sectors as fuel and energy, mechanical engineering, the chemical industry, light industry, the food industry, and others. Like other branches of the economy, industry has undergone several stages of development, evolving progressively from simple to more complex forms [2 p. 7].

Industry is one of the key sectors determining the level of a country's economic development. It plays a decisive role in the processing of natural resources, expansion of production, employment generation, and the development of export potential. As an integral part of the Republic of Azerbaijan, the Nakhchivan Autonomous Republic has, since ancient times, been among the regions where handicrafts and production traditions have been highly developed.

The territory of Nakhchivan possesses abundant natural resources, including extensive rock salt deposits, zinc, lead, polymetallic ores, copper, gold, molybdenum, construction materials, marble, mineral waters, and other mineral resources, which have created a favorable natural basis for industrial development. Archaeological and historical evidence indicates that stone processing, metalworking, ceramics, and textile production have existed in this region for thousands of

years. These traditional activities later laid a solid foundation for the development of modern industrial production.

Beginning in the second half of the nineteenth century, the establishment of the first industrial enterprises in the region accelerated. In particular, industrial salt extraction, construction materials production, and agricultural product processing developed rapidly. Following the establishment of the Nakhchivan Autonomous Republic in 1924, industrial development became one of the priority directions of state economic policy.

During the period from the 1950s to the 1980s, industrial production entered a qualitatively new stage of development. Numerous enterprises in the food, light, construction materials, electrotechnical, and manufacturing industries commenced operations, resulting in a multiple increase in industrial output. By 1965, the industry of the Nakhchivan Autonomous Republic was producing 40 different types of products. As a result of the economic reforms implemented during the 1970s, the industrial potential of the Autonomous Republic was substantially strengthened, new production facilities were commissioned, and the material and technical base of industry was significantly improved. Compared with 1970, industrial production increased 2.6 times by 1980 and 1.66 times by 1985 compared with 1980 [1 pp. 25, 33].

Following the restoration of Azerbaijan's state independence in 1991, the Nakhchivan Autonomous Republic encountered serious economic challenges. The transport blockade, energy shortages, and disruption of traditional economic ties led to a decline in industrial production. However, in subsequent years, industrial development resumed owing to state development pro-

grams, government support for entrepreneurship, investment projects, and the establishment of new industrial enterprises. Today, the food industry, construction materials production, mining, energy, and manufacturing industries constitute the leading sectors of the Autonomous Republic's economy. During January–June 2025, taking into account industrial production by households as well as the activities of individual entrepreneurs operating without establishing a legal entity, industrial products and services worth 255,127.4 thousand manats were produced, representing a 9.1% increase compared with the corresponding period of 2024. Of the total output, 83.7% consisted of industrial production, while 16.3% comprised industrial services. The public sector accounted for 52,751.9 thousand manats (20.7%), whereas the non-state sector accounted for 202,375.5 thousand manats (79.3%). Industrial output consisted of 0.2% mining, 79.2% manufacturing, 18.3% electricity, gas and steam production, distribution and supply, and 2.3% water supply, waste management and remediation activities [5 p. 5].

The development of the industrial sector in the Nakhchivan Autonomous Republic is one of the principal directions of the policy of economic diversification. The Autonomous Republic's favorable geographical location, state support, and measures aimed at promoting entrepreneurship have made the establishment of an industrial park a strategic necessity.

To promote the development of the non-oil sector, industrial parks have been widely established throughout Azerbaijan. The creation of the Nakhchivan Industrial Park will facilitate the formation of a specialized industrial zone, expand the production capacity of the Nakhchivan Autonomous Republic, increase employment, and enhance the region's economic self-sufficiency.

On 5 December 2024, the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, signed the Decree on the establishment of the Nakhchivan Industrial Park in the Nakhchivan Autonomous Republic. As an important component of Azerbaijan's current economic policy aimed at developing the non-oil industry, this project is expected to make a significant contribution to the sustainable socio-economic development of the Autonomous Republic and to substantially strengthen the non-oil sector. The industrial park will reinforce the industrial potential of the region, promote entrepreneurship, facilitate the introduction of modern technologies, enhance the production of competitive goods for domestic and foreign markets, create new employment opportunities, and contribute to sustainable economic growth.

The priority areas of activity within the Nakhchivan Industrial Park include the chemical industry, food industry, waste recycling, ferrous and non-ferrous

metal processing, construction materials production, machinery and equipment manufacturing, renewable energy production, furniture manufacturing, textile and garment production, leather processing, packaging production, and paper and paper products manufacturing.

At the current stage, the Nakhchivan Industrial Park is expected to make a substantial contribution to the socio-economic development of the Autonomous Republic. By promoting the development of the non-oil sector, it will create favorable conditions for the expansion of competitive industrial production based on innovation and advanced technologies, strengthen the region's industrial potential, stimulate entrepreneurship, generate new jobs, and ensure sustainable economic growth [3 p. 45].

Conclusion

The conducted research demonstrates that industrial development in the Nakhchivan Autonomous Republic has followed a long historical evolutionary path shaped by various political, economic, and social factors. The region's abundant natural resources, favorable geographical location, and long-established production traditions have provided a solid foundation for industrial development.

At the same time, the future development of industry requires the broader application of advanced technologies, digital transformation, innovation-driven activities, human capital development, and the expansion of export potential. These priorities will play a decisive role in enhancing the competitiveness and sustainable development of the industrial sector of the Nakhchivan Autonomous Republic.

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