

# Iran, Azerbaijan sign agreement to produce vehicles jointly

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## **IKCO plans to expand its footprint in both its domestic and international markets.**

Iran and Azerbaijan signed a memorandum of understanding (MoU) yesterday (21 April) to jointly establish a company for assembly of Iran Khodro (IKCO)-branded cars in Azerbaijan, reports the Trend News Agency. The agreement was signed by IKCO and Azeurocar LLC, an Azerbaijani company. The report cites Saeid Tafazzoli, IKCO's deputy CEO for exports and international affairs, as saying,

"The Soren and Samand are among the products, while in the next phase, commercial vehicles will be produced." Without disclosing further details, Tafazzoli added that Azerbaijan would also invest in the project.



**Significance:** In a bid to increase its exports, IKCO also signed agreements to set up assembly plants in Algeria and Oman earlier this year. The move serves to further establish its intention to expand its footprint in both its domestic and international markets. The plan will actually be limited to assembly operations as Azerbaijan is not a big enough market to warrant full production. Iran and Azerbaijan have been focusing on enhancing bilateral relations. With this move, the ties between the two countries may receive a further boost. Azevrocar is already working with Iranian companies as a dealer agency of SAIPA in Baku (Azerbaijan).

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