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## Reports : Azerbaijani oil fields yield 30 percent more oil in 2007 than previous year

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President Ilham Aliev said Azerbaijani oil fields yielded more than 30 percent more oil last year than in 2006, state-run newspapers reported Saturday.

Aliev also told a Cabinet meeting Friday that the Caspian Sea nation's economy grew a torrid 25 percent in 2007 and that the government planned to continue increasing budget expenditures which grew 10-fold over the past four years.

"Now we know the financial resources that we will garner from the sale of oil, natural gas, from our economic development, from industrial development," he was quoted as saying.

The ex-Soviet republic's off-shore oil and gas fields are some of the largest in the former Soviet Union and the West is eagerly trying to increase exports of those energy resources for Western markets. With major oil companies like BP PLC Enhanced Coverage LinkingBP PLC -Search using: News, Most Recent 60 Days leading drilling and pipeline projects, oil production has increased markedly and Azerbaijan's government has seen huge revenue increases.

Government newspapers quoted Aliev as saying that 42 million tons of oil (6 million barrels) were extracted in 2007 from the country's fields, mostly from the massive Shah Deniz field, which is being developed by a BP-led consortium. The compares with 4.6 million barrels in 2006.

Azerbaijan has also noticeably increase spending to upgrade its armed forces. Some analysts fear this could spark an arms race with neighboring enemy Armenia and lead to renewed fighting in particular over the disputed territory of Nagorno-Karabakh.

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