





- **Establishment:** 28 May 1918
- **Independence:** 18 October 1991
- **Area:** 86.6 thsd km²
- **Population:** 9.37 million
- **Official Language:** Azerbaijani
- **Government system:** Presidential Republic
- **Membership in:** UN (Non-permanent member of UN Security Council for 2012-2013), Council of Europe, OSCE, Non-Aligned Movement, OIC
- **Highlights:**
 - 1st democratic republic in the Islamic world
 - 1st Opera in the Islamic world
 - Women voting right in 1918(while in Italy - 1946; Switzerland - 1971; France – 1944)
- **Currency:** Manat: 1 AZN = 1.27 USD

2012

GDP	<ul style="list-style-type: none"> •Total: 68.7 bln USD •Per capita: 7490 USD •Growth rate: 2.2%
Non-oil GDP	<ul style="list-style-type: none"> •Total: 36.6 bln USD •Share in total GDP: 52.9% •Growth rate: 9.7%
Investments	<ul style="list-style-type: none"> •Total: 25.7 bln USD •Domestic: 15.4 bln USD •Foreign: 10.3 bln USD
Trade	<ul style="list-style-type: none"> •Trade turnover: 43.8 bln USD •Export: 34.2 bln USD •Import: 9.6 bln USD
Other macroeconomic figures	<ul style="list-style-type: none"> •Inflation: 1.1% •Strategic currency reserves: 46 bln USD •Budget balance: +3.6% of GDP
Social statistics	<ul style="list-style-type: none"> •Average monthly wage: 502 USD •Unemployment: 5.2% •Population income growth: 13.8%

Global Competitiveness Report 2013-2014

Economy	Rank
Azerbaijan	39
Poland	42
Turkey	44
Czech Republic	46
Kazakhstan	50
Slovenia	62
Russia	64
Georgia	72
Armenia	79
Iran	82
Ukraine	84

The report assesses the ability of countries to provide high levels of prosperity to their citizens. This in turn depends on how productively a country uses available resources. Therefore, the Global Competitiveness Index measures the set of institutions, policies, and factors that set the sustainable current and medium-term levels of economic prosperity.

1st among CIS countries (5 times running), 39th among 148 countries

Other indicators:

Inflation – 1st

Macroeconomic environment – 8th

Government budget balance – 15th




General government debt – 13th

Labour market efficiency – 30^h

Capacity for innovation – 35th

Technological readiness – 50st

Sovereign debt ratings

Rating agency	Term	Rating	Outlook
	Long Term – Foreign Currency	BBB-	Stable
	Short Term – Foreign Currency	A3	
	Long Term – Local currency	BBB-	
	Short Term – Local Currency	A3	
	Long Term – Foreign Currency	BBB-	Stable
	Short Term – Foreign Currency	F3	
	Long Term – Local currency	BBB-	
	Long Term – Foreign Currency	Baa3	Stable
	Long Term – Local Currency	Baa3	

Reformist business environment

Firm legal basis and
continuous improvement
of business legislation

Top-reformer of
business regulations
according to Doing
Business Report 2009

Decrease of red tape,
simplifying business
permitting and licensing
systems

One-stop-shop for business registration

One of the easiest start-
up procedures in the
world

3 days for business
registration

Internet registration of
individual entrepreneurs
and local commercial
legal entities

Competitive tax system

E-filing and e-payment

Corporate tax – 20%;
VAT – 18%;
Simplified tax – 4% and
2%

No agriculture tax

Government e- services

426 e-services by 40
public authorities

Electronic portal on
business permission and
licenses
(www.icaazeler.gov.az)

B2B facilitation
(www.b2b.az)

WB Doing Business Report 2014

Economy	Rank
Georgia	8
Kazakhstan	50
Bulgaria	58
Italy	65
Turkey	69
Azerbaijan	70
Romania	73
Czech Republic	75
Russia	92
Serbia	93
Iran	152

70th among 189 countries

15th among the 50 economies narrowing the distance to frontier the most since 2005. The distance to frontier measure shows how far on average an economy is from the best performance achieved by any economy on each Doing Business indicator since 2005.

Some sub-indicators:

Registering property – 13th

Starting a business – 10th

Enforcing contracts – 28th

Getting credit – 55th

In Global Competitiveness Index 2013-2014 (rank/148):

Hiring and firing practices – 8th

Burden of government regulation – 21st

Strength of investor protection – 25th

Welcoming policy

National regime for foreign investors

No restrictions for any type of foreign investment

Incentives for foreign investors

Guarantees

Guarantee against adverse changes in the legislation, nationalisation and requisition

No discrimination policy

Guarantee of compensation of damages and repatriation of profits

Sophisticated legal base

Law on Investment Activity and Law on Protection of Foreign Investments

Party to New York (1958) and Washington (1965) Conventions

46 bilateral investment treaties
44 double taxation treaty

Government institutional support

Azerbaijan Export and Investment Promotion Foundation (AZPROMO)

Azerbaijan Investment Company

National Fund for support of Entrepreneurship

1995-2012



Climatic zones/types – 9 out of 11 existing in the world and fertile land

Largest employer with up to 40% of employed workforce

Tax breaks and subsidies

Strong comparative advantage in exporting fresh fruits and vegetables

Easy access to the regional markets – hub to supply

GSP, GSP+, FTA with the CIS countries

Traditional consumer markets of CIS with ca. 300 million population

Increased demand for electricity by 4.7% each year until 2015

Renewable Energy Sources - solar, wind, water, sea-energy, waste, bio-energy

Number of windy days in a year - 245-280

Average annual wind speed: 5.8 – 8.0 m/sec

Average number of sunny days in a year – 250

First in the world 5 MW hybrid (solar, biogas, wind, thermal)
Experimental Polygon in Gobustan

Establishment of State Agency on Alternative and Renewable Energy

Unique geografic and climatic conditions

In 2012 number of tourists increased by 3.3 times in comparison with 2003

Well-known international hotel chains: Hilton, Four Seasons, JW Marriot, Jumeirah, Fairmont and Kempinski

Winter-summer tourism complex in Shahdag – to be completed in 2016 and able to welcome 10 000 tourists

Investment opportunities in construction of brand economy hotels

Increasing demand in construction of tourism complexes

Restoration of historical and cultural sites

One of the fastest growing non-oil sectors in terms of increasing revenues

First national satellite was recently launched

70 out of 100 persons are Internet users

First among CIS States on share on internet users according to the WEF Global Information Technology Report 2012

New Regional Innovation Zone – production of IT equipment and software, establishment of regional Data Centre

Trans-Eurasian Information Super Highway - to bridge the digital divide in Eurasia through constructing a regional internet backbone

Establishment of State Fund for Development of ICT

Sumgait Chemical Industrial Park

Total area: 168 ha

Administration: “Sumgait Chemical Industrial Park” LLC
under management of Ministry of Economic Development

Priority products: chemicals used in agriculture,
construction, packaging and automotive industries

Infrastructure: Offices, training centers, laboratory,
electricity, heating, water and other communications

Tax holidays (corporate, property and land taxes and VAT on
imported equipment)

Main advantage: Availability of necessary raw materials
domestically in close proximity to the production site

Balakhani Eco-Industrial Park

Total area: 7 ha

Administration: “Tamiz Sheher” OJSC under management of Ministry of Economic Development

Priority areas: Recycling of plastics, tire/rubber, electronics, accumulators, non-ferrous metals, cables and specific types of domestic waste

Infrastructure: Offices, training centers, laboratory, electricity, heating, water and other communications

Tax holidays for 7 years: Corporate, land and property taxes and VAT on imported equipment and technology

Location: Proximity to city waste landfill site, Material Recovery (waste sorting) Facility and modern Waste-to-Energy Plant

Azerbaijan Export and Investment Promotion Foundation (AZPROMO)

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