Country Profile

Republic of AZERBAIJAN

ICDT 2025

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General data

General info

Capital: Baku
Type of State: Republic
Location: Caucasus - Area: 86,600 Km2
Time Zone: GMT + 4

Demography

Population: 10,34 Million – 2024
Natural increase: 0.1% - 2023
Official language: Azerbaijani
Business language: Russian, English

currency

Manat (AZN)
1 USD = 1.70 AZN – May 2025

macro economy

GDP: 74, 316 MM USD Growth: 4.1% - 2024
GDP per capita: 7251.3 USD - 2024
- Employment rate of people aged 15 and over: 62.1 %

International trade

Imports - 2024: USD 21.06 MM
Exports – 2024: USD 26.55 MM

IDE

FDI stocks in 2023: 32.745 MM USD
Inward FDI flows in 2023: 253 M USD

Strong facts

Strategic position between Europe, Russia and China and economic diversification

Institutional improvements (legal certainty,process)

Significant gas potential in the Caspian Sea and competitive products and services

GDP growth

Economic growth has accelerated and inflation has slowed in 2024. Public investment and real incomes have supported robust growth in non-oil gross domestic product (GDP), while the oil and gas sector has returned to growth on the back of strong gas demand. Inflation remains within the central bank's target range.

Serious measures have been already taken to create and improve a favorable business environment and develop the non-oil sector. The IMF also projected Azerbaijan's nominal GDP to reach $100.895 billion by 2030 with real growth of 2.5%. In 2025, nominal GDP is expected at $78.87 billion (+3.5%), followed by $81.872 billion (+2.5%) in 2026.

One of the top priorities of the Azerbaijani Government is to diversify the country's economy and attract FDI in non-hydrocarbon sectors, such as agriculture, logistics, information/communication technology and tourism. So, "Invest in Azerbaijan" is opportunity that gives you chance to value business environment in Azerbaijan. It provides you with support mechanisms and assists to connect with proper resources, strategic location and skilled labor force.

Strategic vision

The regulation of investment activity is carried out by the principles of property inviolability, the rule of law, protection, and provision of human and civil rights and freedoms, and protection of confidential information. The investor can transfer investment income to a foreign country after paying taxes and state fees in compliance with the Law on "Currency Regulation" and the investment contract. This business environment allows foreign investors to operate in accordance with global standards.

To diversify the economy and support the attraction of foreign investment in the non oil sector, Azerbaijan provides investment promotion documents to legal entities and individual entrepreneurs which are issued by the Ministry of Economy of the Republic of Azerbaijan for investment projects.

Main sectors of activity

6.9 %	Share of agriculture in GDP It employs 36% of the population
50.6 %	Share of industry in GDP It employs 14.8% of the population
42.5 %	Share of services in GDP They employ 49.2% of the population

Sector Strategies

Within the scope of Vision 2030, Azerbaijan is determined to spare no efforts to accomplish its socio-economic development.

The government's 10-year development strategy Azerbaijan 2030 aims at developing a sustainable and competitive economy, ensuring social inclusion, increasing human capital, shifting to "green growth" and improving infrastructure.

The government of Azerbaijan is seeking to attract foreign investment, in line with its strategy of diversifying and strengthening its economy. In addition to the oil sector, the country is encouraging the development of a range of economic sectors, including construction, mining, the digital economy and tourism. Among ongoing projects we can mention:

- In terms of renewable energy, Azerbaijan wants to increase the share in electricity production to 30% by 2030 (share of less than 10% currently).
- The Transadriatic Pipeline (TAP) project has been included in the list of the world's top 10 investment projects for its economic importance.

Infrastructure

Maritime

All roads start in Baku, the largest port on the Caspian Sea and the base of the merchant marine. Other ports: Sumqayıt, Lankaran, Neftçala and Dübendi.

Road

The Azerbaijani road network covers in 2006, 59.141 km and covers the whole country, in particular the mountainous zones and the zones of challengingtopography.

Airport

Heydar International Airport Aliyev from Baku, followed by Ganja, Nakhchivan, and Lankaran .

Railway

The Baku-Tbilisi-Kars line is a railway line directly connecting Türkiye, Georgia and Azerbaijan. the North/South corridor (Astara-Baku- Yalama) will link India with Russia via Iran and Azerbaijan. the East-West corridor (BTK: Baku Tbilisi Kars) which will link Azerbaijan

Energy & Telecom

Azerbaijan's energy sector is dominated by oil and natural gas, with the country's hydrocarbon industry being among the oldest in the world. The national code +994 had 12.00 million lines.

Promising Sectors

01 **Intensive agriculture** - greenhouses for fruit and vegetable production, intensive open-field gardens **.**

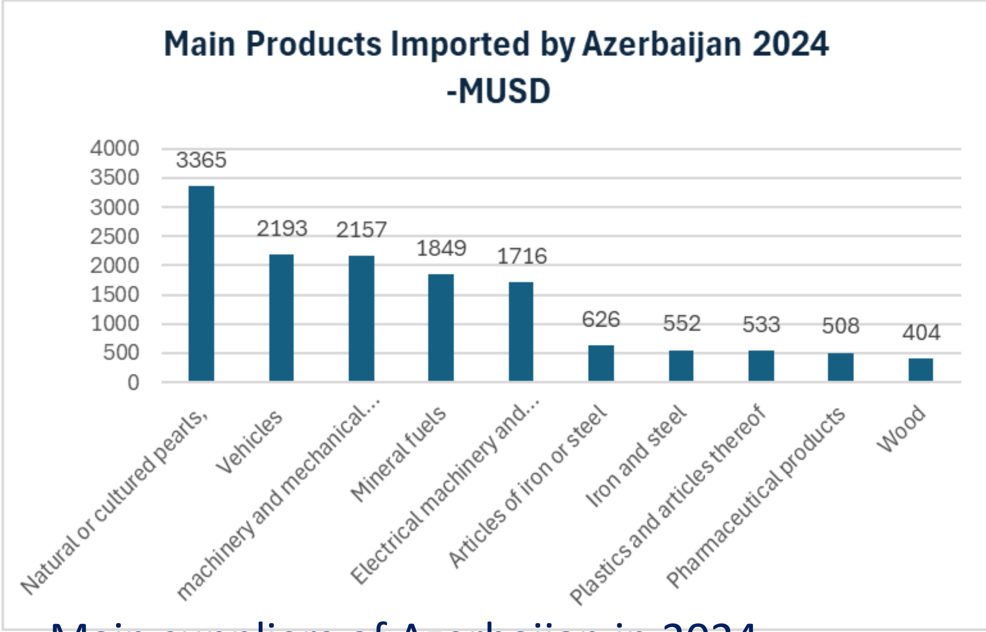
02 **Regional logistics –** businesses based in the port of Alyat , such as container building companies, storage facilities and others.

03 **Food production** - food production focused Import substitution , processing of cultivated and produced raw materials

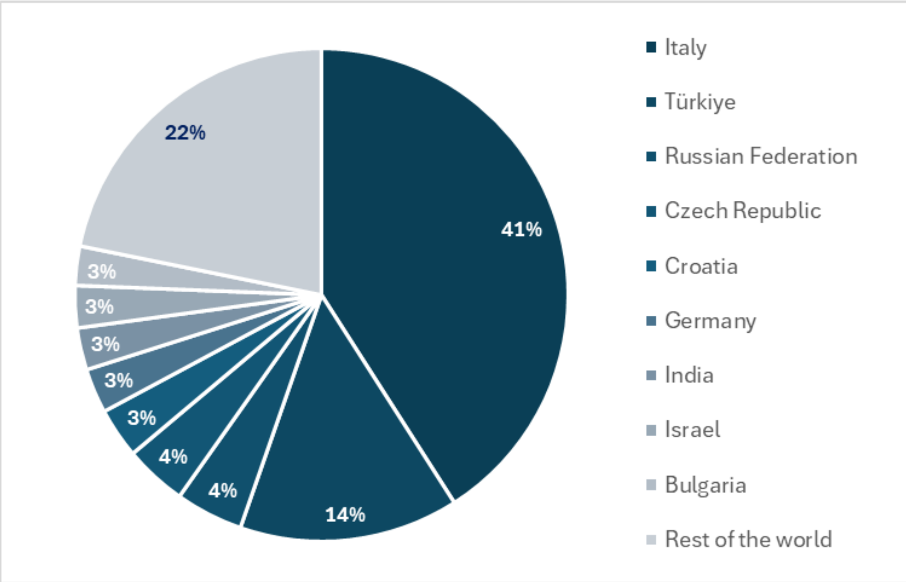
04 **Pharmaceuticals -** Development of the Pirallahi Industrial Park , looking for projects to participate in the production of medicines.

05 **Renewable energy -** Development and co -investment in green energy projects, as well as energy recovery projects from household waste. Combination of renewable energy projects with other industries, such as intensive agriculture.

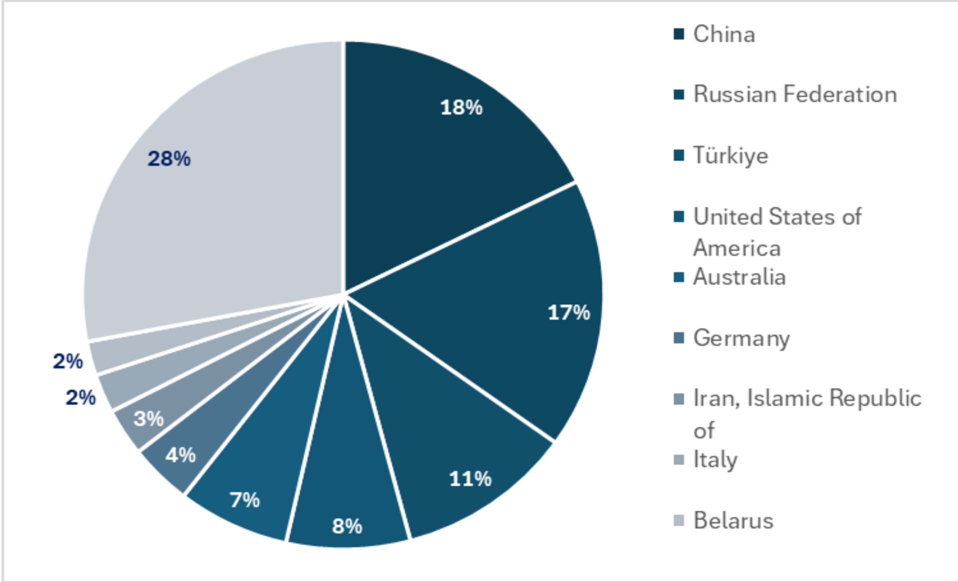
International trade



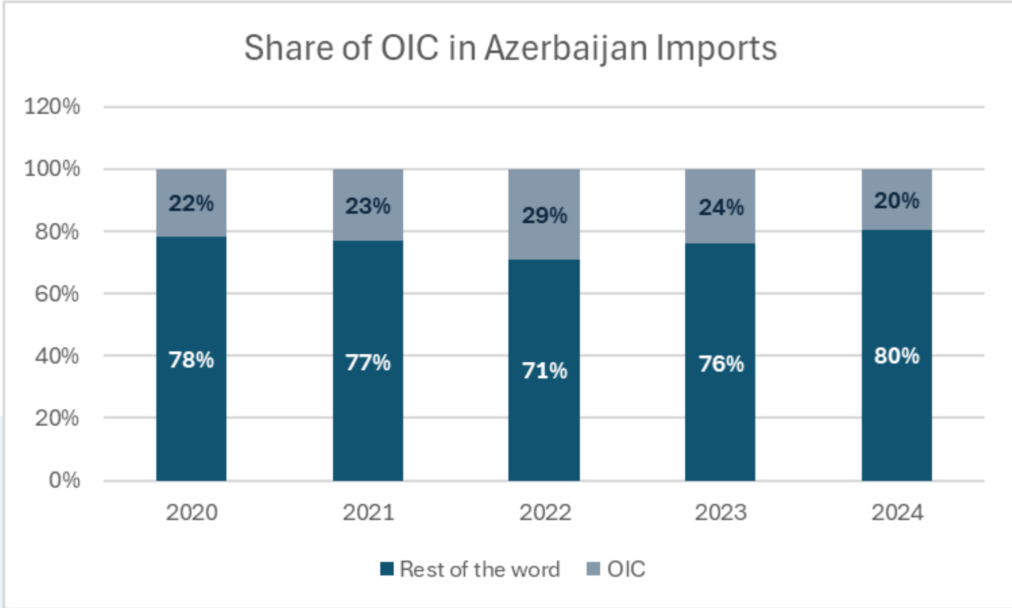
Main customers of Azerbaijan in 2024



Main suppliers of Azerbaijan in 2024



Intra-OIC Trade



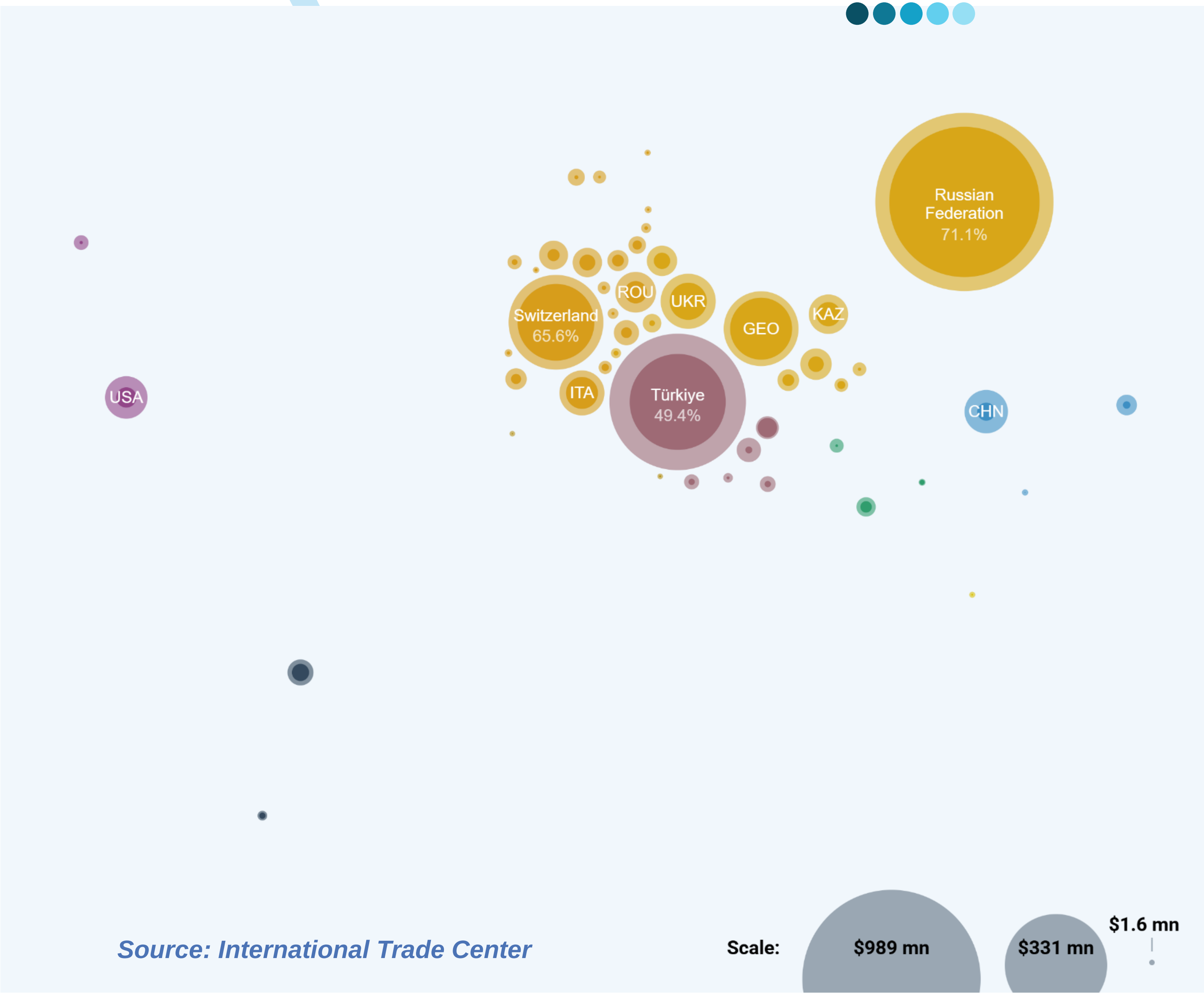
Top 10 Customers, OIC Members in 2024

1. Türkiye
2. Tunisia
3. Indonesia
4. Kazakhstan
5. Turkmenistan
6. Oman
7. United Arab Emirates
8. Uzbekistan
9. Kyrgyzstan
10. Iraq

Top 10 Suppliers, OIC Members in 2024

1. Türkiye
2. Iran
3. Kazakhstan
4. Turkmenistan
5. Uzbekistan
6. Malaysia
7. Indonesia
8. Egypt
9. United Arab Emirates
10. Bangladesh

Export potential of Azerbaijan by country of destination



Markets with potential for Azerbaijan's exports

Source: International Trade Center

Within the OIC region, the markets with the highest export potential are located in Central Asia.

ITC Ex
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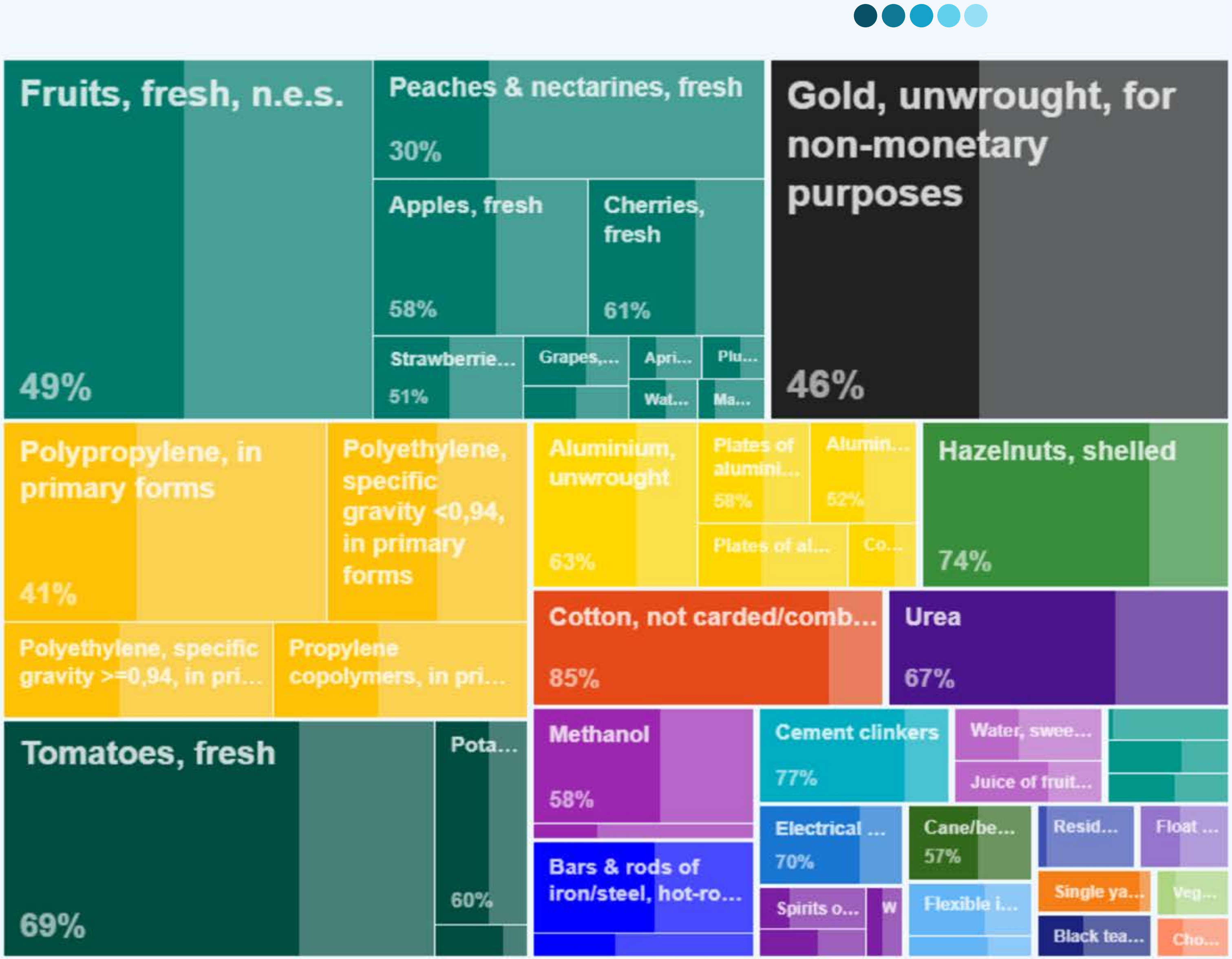
Export Potential of Azerbaijan by Product



Azerbaijan's products with potential

Legend

- Export potential
- Realized potential

- Fruits
- Precious metals
- Plastics & rubber
- Vegetables
- Metals (except ferrous & precious)
- Nuts
- Vegetal textile fibers
- Fertilisers
- Chemicals
- Ferrous metals
- Mineral products
- Beverages (not alcoholic)
- Mineral resources
- Machinery, electricity
- Beverages (alcoholic)
- Sugar
- Textile products n.e.s.
- Vegetal residues & animal feed
- Glass articles
- Cotton (fabric)

The products with the greatest export potential are fruits and vegetables, plastics, metals and nuts.

Source: International Trade Center

Market Access

Customs Duties and Taxes

Average rate: 8.5%
Average rate of agricultural products: 13.9%
Average rate of non-agricultural products: 7.6%

Non-Tariff Measures

The import of radioactive material, narcotics and psychopharmaceuticals is prohibited.

Trade agreements

Candidate to become a member of the WTO
Member of the Asian Economic Cooperation Organization.
The text of the Free Trade Agreement between Azerbaijan, Armenia, Belarus, Georgia, Republic of Moldova, Kazakhstan, Russian Federation, Ukraine, Uzbekistan, Tajikistan and Kyrgyz Republic.

Fairs and Exhibitions

For more information , visit the website:
https://www.eventseye.com/fairs/c0_salons_azerbaidjan.html

Investing in Azerbaijan

Why Azerbaijan

Geographical position, steady growth, qualified and competitive human resources, competitive production cost

Special Economic Zones

- The industrial area of Neftchala .
- Masalli Industrial Zone .
- The industrial zone of Hadjigabul
- Balakhani
- Sumgaït Chemical Industrial Park

Implemented Measures

Exemption from VAT and customs duties on the import of machinery, technological equipment and facilities, property tax;In the case of a sole proprietor, 50% of the income is free of tax from the date of receiving the investment promotion certificate.
Azerbaijan has signed a bilateral investment treaty with the US and a Partnership and Cooperation Agreement with the EU.

Public markets

Calls for tenders are published on: http://www.cisbids.com ; https://www.biddetail.com
http://www.tendersontime.com; www.globaltenders.com

Contacts

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