MINISTRY OF ECONOMIC DEVELOPMENT

Azerbaijan Country Presentation

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Establishment: 28 May 1918
Independence: 18 October 1991
Language: Azerbaijanian
Area: 86.6 ths. km²
Population: 9 million
Capital: Baku
Currency: Manat *

* (0.8 AZN=1 USD)
Interesting facts

- 50% of world oil production in XIX century
- 80% of total Soviet oil production during World War II

- First Baku ‘oil boom’
- Nobel’s first Kerosene factory
- 1846–first hand-dug oil wells
- First Baku-Batumi Pipeline
- Nobel’s distribution system
- First rail tank cars
### Macroeconomic figures

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth rate</td>
<td>5%</td>
</tr>
<tr>
<td>GDP per capita ($)</td>
<td>5,697</td>
</tr>
<tr>
<td>Investments ($)</td>
<td>17.4 bln</td>
</tr>
<tr>
<td>FDI ($)</td>
<td>3.3 bln</td>
</tr>
<tr>
<td>Inflation</td>
<td>5.7%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>6%</td>
</tr>
<tr>
<td>Poverty level</td>
<td>9.1%</td>
</tr>
<tr>
<td>Average monthly salary ($)</td>
<td>406</td>
</tr>
<tr>
<td>Income growth rate of population</td>
<td>12.3%</td>
</tr>
<tr>
<td>Total investments</td>
<td>17.4 bln $</td>
</tr>
<tr>
<td>Non-oil investments</td>
<td>12.1 bln $</td>
</tr>
<tr>
<td>Strategic currency reserves</td>
<td>29 bln $</td>
</tr>
</tbody>
</table>
Macroeconomic figures

- GDP growth rate (%)
- GDP per capita ($)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth Rate</th>
<th>GDP Per Capita ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>11.2%</td>
<td>888</td>
</tr>
<tr>
<td>2004</td>
<td>10.1%</td>
<td>1048</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td>1579</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td>2471</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>3841</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>5603</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>4874</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>5697</td>
</tr>
</tbody>
</table>

GDP growth rate and GDP per capita figures for the years 2003 to 2010.
GDP share in the South Caucasus (%)

- **Azerbaijan**
- **Georgia**
- **Armenia**


GDP share in the region
Investments

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FDI 37 bln USD

Foreign 54.2 bln USD

Domestic 42.6 bln USD

Oil sector 42.5 bln USD

Non-oil sector 54.3 bln USD

Total Investments 96.8 bln USD

*1995-2010
Foreign Trade

More than 40 Free Trade Agreements
147 trade partners
GSP, GSP+ (Generalized system of preferences)

Trade turnover 27.9 bln US dollars
Import 6.5 bln US dollars
Export 21.4 bln US dollars

2010

Import
- Ukraine 8%
- Germany 9%
- China 8%
- Turkey 15%
- Other 42%

Export
- Other 40%
- Italy 26%
- USA 12%
- Israel 8%
- Russia 5%
- France 9%
- Other 42%
Methodology

Starting a business

Employing workers

Registering Property

Protecting investors

Enforcing contracts

The Doing Business project provides objective measures of business regulations and their enforcement across 183 economies and selected cities at the subnational and regional level.
Country Ratings

- Long term credit rating: ‘BBB –’ (Investment Grade*)
- Short-term credit rating: ‘F3’
- UNDP Human Development Report - 69th
- WEF Global Competitiveness Report 2011
  57th in the world and 1st among CIS countries
Why invest in Azerbaijan?

- Abundant resources
- Well-developed infrastructure
- Good climate and welcoming culture
- Favorable location
- Low-cost and skilled labor force
- POLITICAL & FINANCIAL STABILITY

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Abundant resources

- Rich mineral and climatic resources
- Ferrous and non-ferrous metals
- Raw construction materials
- 9 out of 11 climatic zones
- Mild winters and hot summers
Well-developed infrastructure

- Logistical hub for Asia - Europe, Middle East - CIS
- 2nd largest port in the Caspian Sea
- Developed rail infrastructure
  - Baku - Tbilisi - Kars railroad (The Iron Silkway)
- Developed airport network
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Low-cost and skilled labor force

- Entrepreneurial culture
- High literacy level (99.6%)
- Excellent IT and foreign languages skills
- Human resources development strategy

2010
- 406 USD
  Average monthly salary

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed, mln</th>
<th>Labor force, mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3.7</td>
<td>4.0</td>
</tr>
<tr>
<td>2004</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>2005</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>2006</td>
<td>3.9</td>
<td>4.2</td>
</tr>
<tr>
<td>2007</td>
<td>4.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2008</td>
<td>4.1</td>
<td>4.3</td>
</tr>
<tr>
<td>2009</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2010</td>
<td>4.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>

* Source: The State Statistics Committee
Where to invest in Azerbaijan?

- Alternative energy
- Agriculture/food industry
- Tourism
- Construction
Where to invest in Azerbaijan?

- Chemical industry
- Transportation and logistics
- Light industry
- ICT
A glimpse of Azerbaijan
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A glimpse of Azerbaijan