



DISCOVER YOUR WAY TO

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# AZERBAIJAN

# STATE OF ECONOMY

## 2019



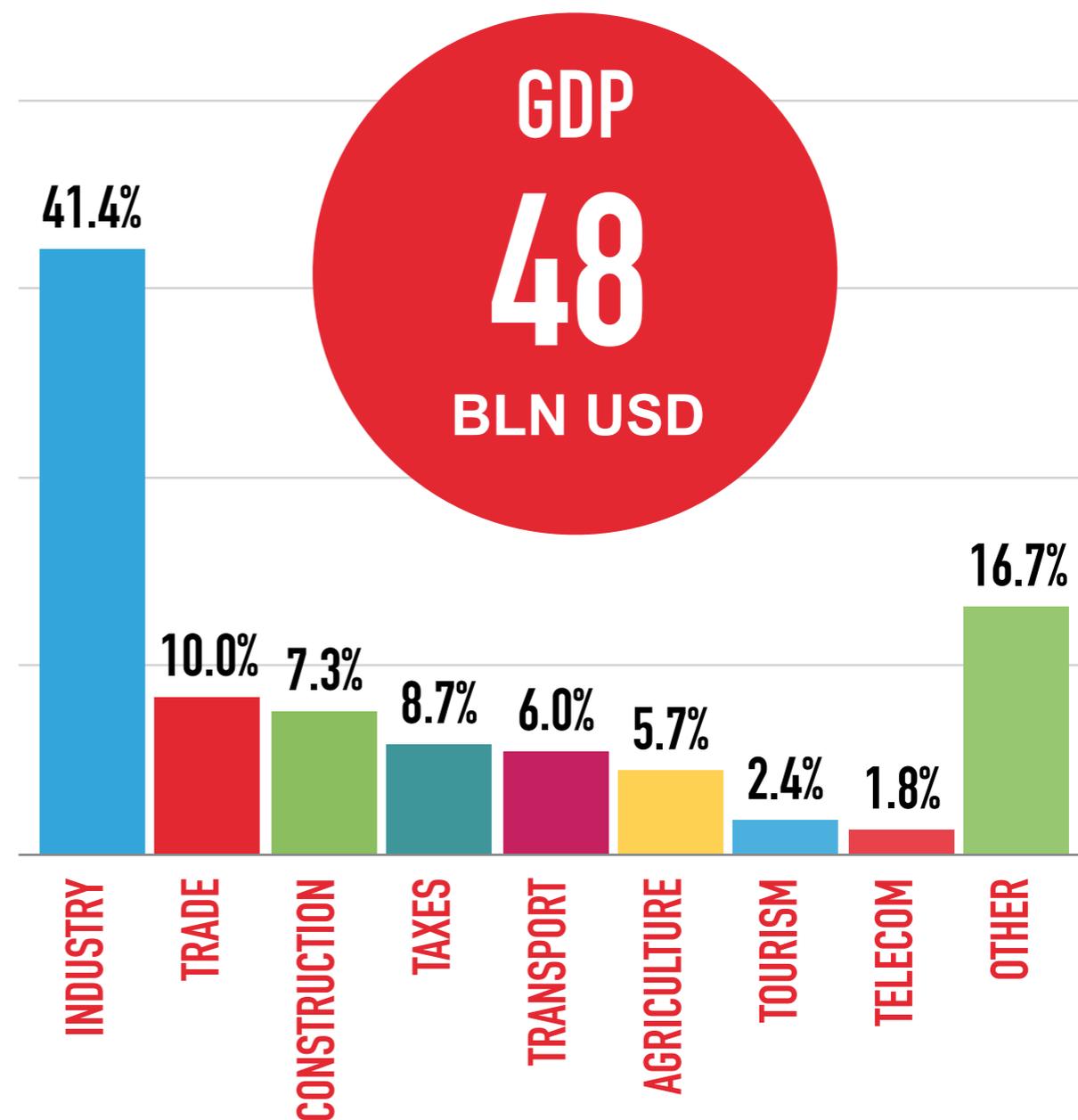
4850 USD GDP  
PER CAPITA



10 MILLION  
POPULATION



7.9 BLN USD  
External Public Debt



# ECONOMIC DIVERSIFICATION

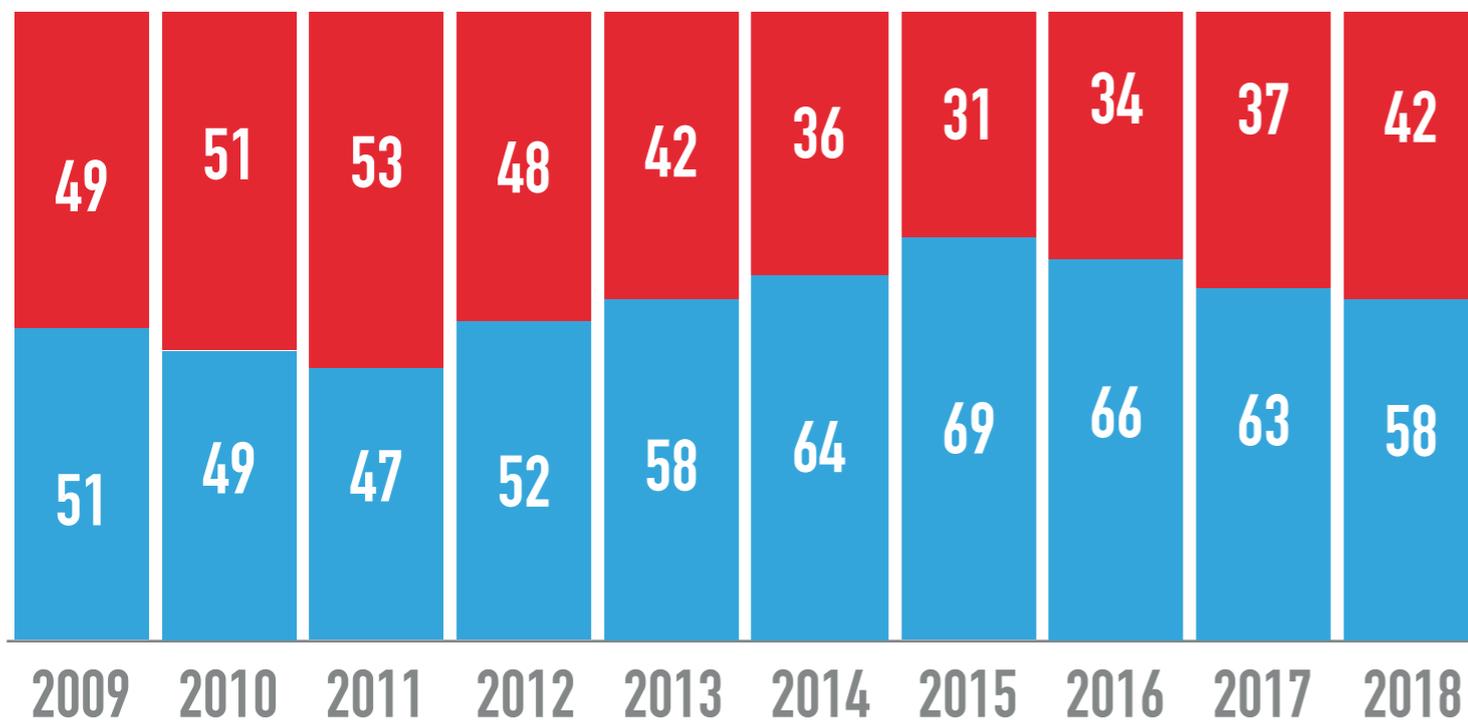
DIVERSIFICATION OF ECONOMY AND DEVELOPMENT OF  
NON-OIL SECTORS AS A **KEY STRATEGIC PRIORITY**

NON OIL GDP IN 2019:

**61.7%**

GDP STRUCTURE (%)

■ non-oil ■ oil



## PRIORITY AREAS

AGRICULTURE AND FOOD

SMES AND CONSUMER GOODS

HEAVY INDUSTRY AND MACHINERY

TOURISM

LOGISTICS AND TRADE

HOUSING

VOCATIONAL EDUCATION

FINANCIAL SERVICES

TELECOMMUNICATION AND IT

UTILITIES

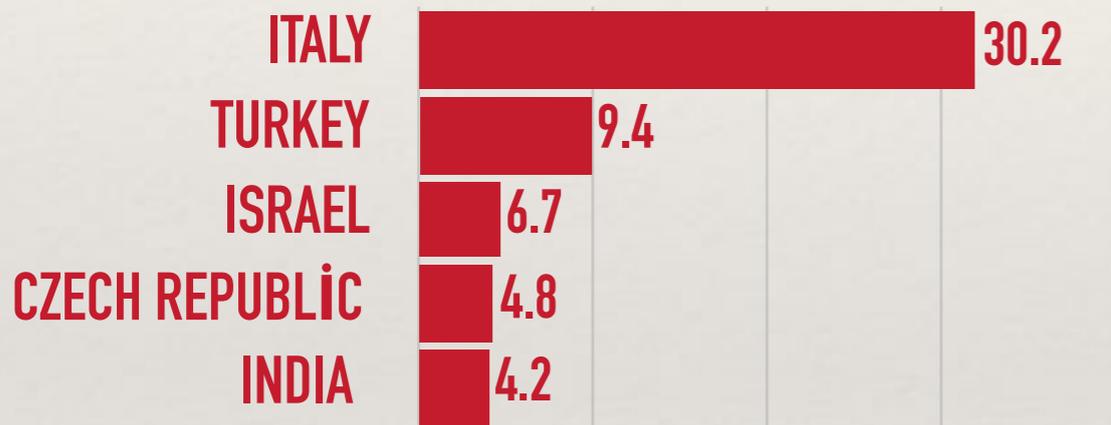
# PROVEN TRADING PARTNER

**US\$ 17.65 BLN**  
TOTAL VALUE OF EXPORTS

**2019**

**US\$ 12.38 BLN**  
TOTAL VALUE OF IMPORTS

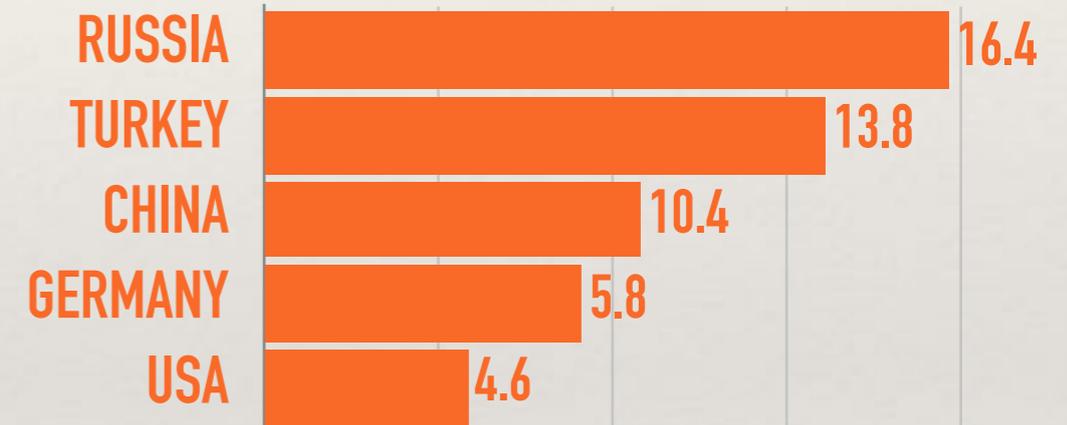
■ TOP 5 EXPORT MARKETS (%)



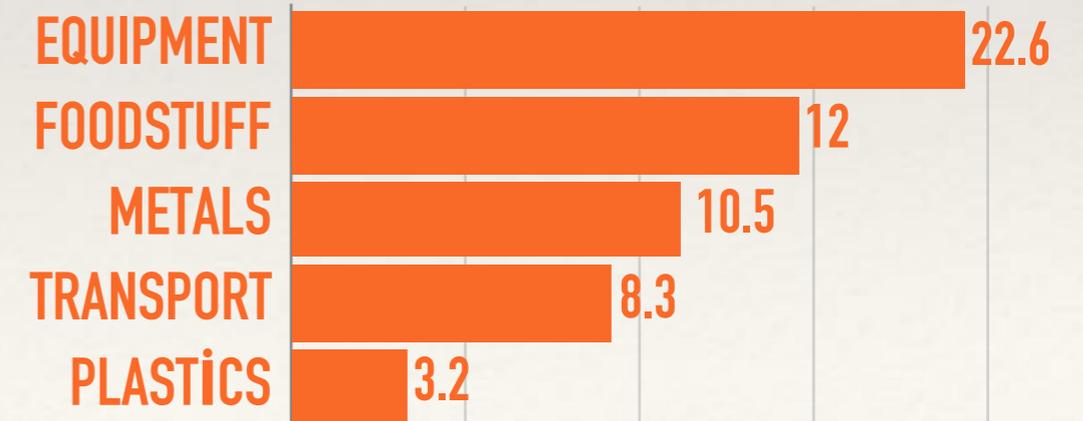
■ TOP 5 NON-OIL EXPORT PRODUCTS (%)



■ TOP 5 IMPORT MARKETS (%)



■ TOP 5 IMPORT PRODUCTS (%)



# EFFECTIVE TIME SAVING ROUTES

**70% TIME SAVING (CHINA - EUROPE MARITIME ROUTE)**

**60% TIME SAVING FOR NORTH-SOUTH ROUTE (INDIA - EUROPE)**



# EFFECTIVE TIME SAVING ROUTES

## 50% TIME SAVING (IRAN - EUROPE)



# WELL DEVELOPED INFRASTRUCTURE

- ✓ 15 THSD KM OF **ROADS AND HIGHWAYS** CONSTRUCTED AND REHABILITATED
- ✓ 6 INTERNATIONAL **AIRPORTS**
- ✓ **BAKU-TBILISI-KARS** RAILROAD (“THE IRON SILKWAY”)
- ✓ NEW **BAKU INTERNATIONAL SEA TRADE PORT** WITH CAPACITY OF 10–11.5 MLN TONS OF CARGO AND 50 THSD TEU (TO BE INCREASED UP TO 21–25 MLN TONS OF CARGO AND 1 MLN TEU)
- ✓ CARGO TRANSPORTATION VIA **TRACECA** CORRIDOR INCREASED BY 1.3 TIMES



# WB DOING BUSINESS REPORT 2020

OVERALL RANKING

**34** / 190

STARTING A BUSINESS

**9** / 190

REGISTERING PROPERTY

**44** / 190

PAYING TAXES

**40** / 190

GETTING CREDIT

**1** / 190

ENFORCING CONTRACTS

**28** / 190

## Standard & Poor's

BB+/B, Outlook Stable (24 January 2020)

## Moody's

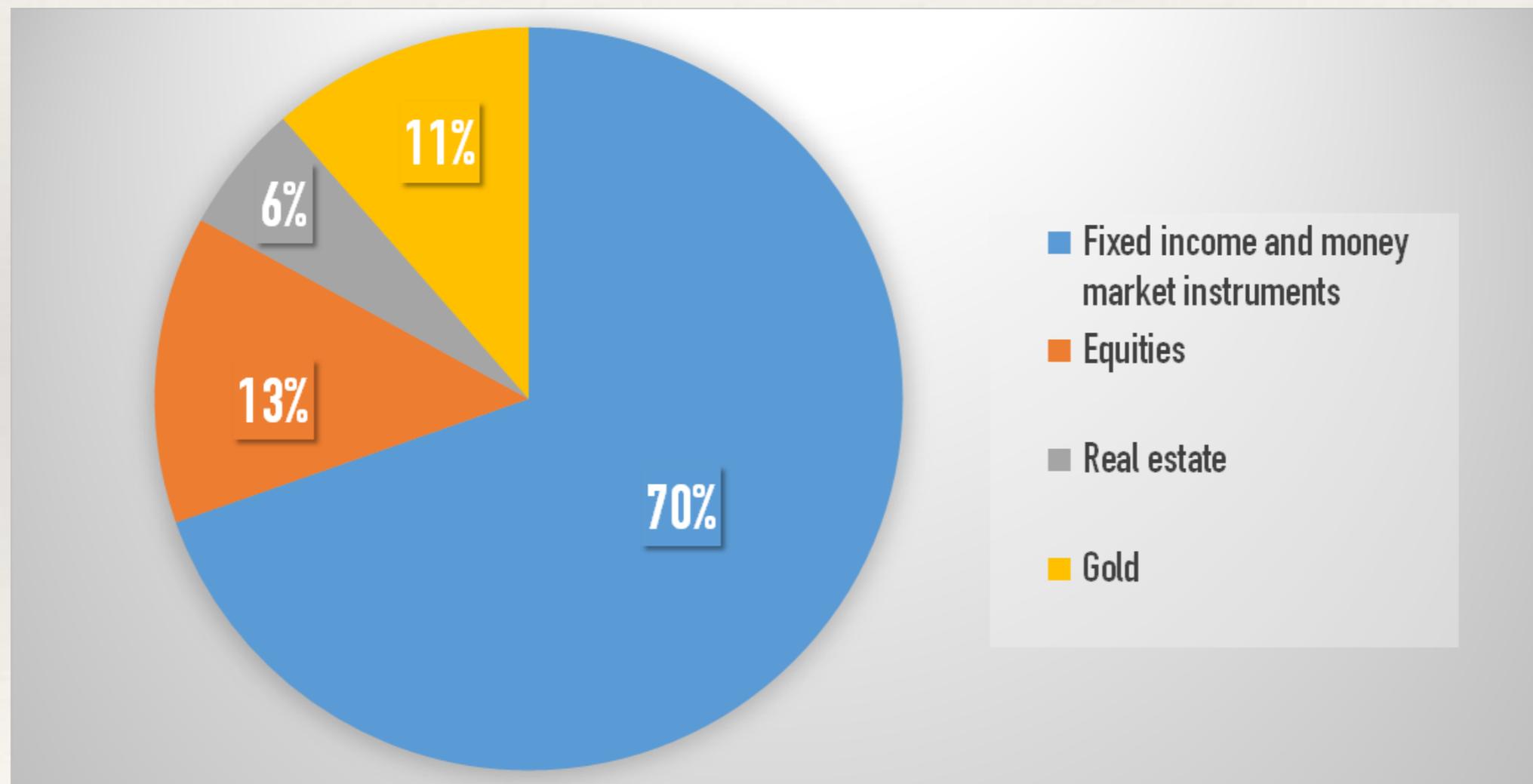
Ba2, Outlook Stable (9 September 2019)

## Fitch

BB+, Outlook Stable (17 January 2020)

**42,524 MLN.USD ASSETS**

## SOFAZ'S PORTFOLIO BREAKDOWN BY ASSET CLASS



## REDUCED RED TAPE

- ✓ No state inspections of businesses
- ✓ Streamlined licensing system
- ✓ E-Gov services for business
- ✓ Streamlined public services
- ✓ One-Stop-Shop Systems
- ✓ Low tax burden

## NEW REFORM PACKAGE

- ✓ Governance, justice, crime control
- ✓ Macroeconomic environment
- ✓ Human capital & labour market
- ✓ Infrastructure & utilities
- ✓ Financial markets
- ✓ Investor protection & corporations
- ✓ Foreign trade facilitation
- ✓ Technology & innovations
- ✓ Healthcare

**No export duties**  
**Export reimbursement**  
**Export grant scheme**  
**Removing trade barriers**

## TRADE HOUSES

BELARUS

CHINA

UKRAINE

LATVIA

POLAND

UAE

## TRADE REPRESENTATIVES

CHINA

UNITED ARAB EMIRATES

EASTERN EUROPE

RUSSIA

# INVESTMENT CLIMATE



# BILATERAL INVESTMENT TREATIES

ALBANIA  
AUSTRIA  
BELARUS  
BELGIUM  
BULGARIA

CROATIA  
CZECH REP  
ESTONIA  
FINLAND  
FRANCE

GEORGIA  
GERMANY  
GREECE  
HUNGARY  
UK

LATVIA  
LITHUANIA  
LUXEMBOURG  
MACEDONIA FYR  
MOLDOVA

MONTENEGRO  
NORWAY  
POLAND  
ROMANIA  
RUSSIA

SAN MARINO  
SERBIA  
SWITZERLAND  
TURKEY  
UKRAINE

USA

EGYPT

CHINA  
ISRAEL  
JORDAN  
AFGHANISTAN

KAZAKHSTAN  
KOREA REP.  
KUWAIT  
KYRGYZSTAN

UZBEKISTAN  
LEBANON  
PAKISTAN  
SAUDI ARABIA

UAE & QATAR  
IRAN & SYRIA  
TAJIKISTAN  
TURKMENISTAN

# DOUBLE TAXATION TREATIES

AUSTRIA  
BELARUS  
BELGIUM  
B&H  
BULGARIA

CROATIA  
CZECH REP  
ESTONIA  
FINLAND  
FRANCE

GEORGIA  
GERMANY  
GREECE  
HUNGARY  
ITALY

LATVIA  
LITHUANIA  
LUXEMBOURG  
MACEDONIA FYR  
MOLDOVA

MONTENEGRO  
NETHERLANDS  
NORWAY  
POLAND  
ROMANIA

RUSSIA  
SAN MARINO  
SERBIA  
SLOVENIA  
SPAIN

SWEDEN  
SWITZERLAND  
TURKEY  
UK & DENMARK  
UKRAINE  
MALTA

CANADA

CHINA & JAPAN  
IRAN  
MOROCCO  
JORDAN

KAZAKHSTAN  
KOREA REP.  
KUWAIT  
PAKISTAN

SAUDI ARABIA  
TAJIKISTAN  
UAE & QATAR  
TURKMENISTAN

UZBEKISTAN  
VIETNAM  
ISRAEL

# INVESTMENT INCENTIVES

## HOLDERS OF INVESTMENT PROMOTION DOCUMENT

**7**

50% REDUCED CORPORATE TAX

0% LAND AND PROPERTY TAX

**Y  
E  
A  
R  
S**

0% VAT ON HARDWARE,  
TECHNOLOGICAL EQUIPMENT  
AND STRUCTURES IMPORTED BY  
IPD HOLDERS

0% CUSTOMS DUTY ON  
HARDWARE, TECHNOLOGICAL  
EQUIPMENT AND STRUCTURES  
IMPORTED BY IPD HOLDERS

## RESIDENTS OF INDUSTRIAL AND TECHNOLOGY PARKS

**10**

0% CORPORATE TAX

0% LAND AND PROPERTY TAX

**Y  
E  
A  
R  
S**

0% VAT ON HARDWARE,  
TECHNOLOGICAL EQUIPMENT  
AND STRUCTURES IMPORTED BY  
RESIDENTS

0% CUSTOMS DUTY ON  
HARDWARE, TECHNOLOGICAL  
EQUIPMENT AND STRUCTURES  
IMPORTED BY RESIDENTS



# SECTOR OPPORTUNITIES

- ✓ **AGRICULTURE**
- ✓ **FOOD INDUSTRY**
- ✓ **TOURISM**
- ✓ **ICT**
- ✓ **CHEMICALS**
- ✓ **MACHINERY**

# SUCCESS STORIES



# THANK YOU!

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