

The Impact of Trade Relations on the Economy of Azerbaijan

Rasul Nazarov
 Azerbaijan State University of
 Economics
 Baku, Azerbaijan
 0009-0006-0147-1690

Abstract—This paper examines the changing dynamics of Azerbaijan's international trade and its effects on the national economy. Positioned strategically between Europe and Asia, Azerbaijan has leveraged its energy resources—mainly oil and natural gas—to forge trade relationships with the EU, Türkiye, Russia, China, and the United States. Although oil exports provide substantial revenue, they have resulted in a mono-structural economy that is susceptible to fluctuations in energy prices and the manifestations of Dutch Disease. Through empirical analysis, this study investigates trade patterns, the structure of exports and imports, and Azerbaijan's involvement in projects such as the Southern Gas Corridor and the Belt and Road Initiative. The findings highlight the critical necessity for export diversification and the development of the non-oil sector to achieve economic stability. The research concludes that a well-defined foreign trade policy, bolstered by infrastructure advancements and international collaboration, is essential for Azerbaijan's integration into the global economy and its development as a regional trade and energy center.

Keywords—Foreign Trade Relations, Azerbaijan Economy, Oil and Gas Exports, Economic Diversification, International Trade Policy, Regional Integration

I. INTRODUCTION

In contemporary society, the framework of international economic relations encompasses a variety of trade activities among nations. Trade stands as a pivotal component of the global economy, significantly influencing its structure and efficiency throughout different historical phases, while also playing a crucial role in the regulation of international relations. The foundational principles guiding this process include specialization, globalization, and integration. The effectiveness of trade is largely determined by a pricing strategy that enhances international commerce among nations, which is fundamentally driven by the dynamics of supply and demand. This article provides a comprehensive analysis of the foreign trade relations of the Republic of Azerbaijan, highlighting both its favorable developments and the challenges that impede its progress. Notably, the scope of Azerbaijan's foreign trade relations has broadened considerably in recent years, as the country has joined various international trade organizations and witnessed positive trends in its trade activities. Currently, Azerbaijan has established and is actively nurturing foreign economic and trade partnerships with numerous countries worldwide.

The advancement of national economies in countries striving to establish a free market system is intricately connected not only to internal capabilities but also to the strategic utilization of foreign trade, which serves as the primary mode of international economic interaction. Consequently, it is crucial to examine the framework of economic relations among nations from various perspectives

within the global context. Therefore, international trade activities present considerable theoretical benefits when employing diverse mechanisms informed by developmental trends and foreign trade policy principles.

The foreign trade dynamics of each nation significantly influence the globalization of the world economy and its swift progression. This also aids in the prompt integration of newly independent nations into the global economy, enhances and broadens trade relations among countries (especially those in proximity), and fosters the establishment of reciprocal trade infrastructure along with transport and economic connections.

A. Export Dependency Trends in Azerbaijan

Table 1.1 illustrates the composition of Azerbaijan's imports and exports. The data indicates that machinery and mechanical appliances constituted the largest portion of imports at 30.8 percent. This was succeeded by vehicles, aircraft, vessels, and related transport equipment at 17.0 percent, followed by animals and animal products at 11.4 percent, chemical products at 8.3 percent, and mineral products at 4.7 percent in 2008. Notably, the most significant increase in import share from 2004 to 2008 was observed in beverages and tobacco products, which surged by 752.1 percent, followed by vehicles, aircraft, vessels, and associated transport equipment, which rose by 502.6 percent.

Product groups	Imports			2008 compared to 2004 (%)	Exports			2008 compared to 2004 (%)
	2004	2006	2008		2004	2006	2008	
1. Lives animals, animal products	38.2 (9.9)	41.2 (7.6)	51.5 (11.4)	134.8%	1.3 (2.7)	0.6 (3.6)	1.2 (0.8)	92.3%
2. Beverages and tobacco products	28.4 (0.9)	105.7 (2.1)	213.6 (3.2)	752.1%	9.1 (0.5)	20.8 (0.6)	18.4 (0.0)	202.2%
3. Mineral products	507.1 (14.4)	779.8 (14.8)	336.8 (4.7)	66.4%	2973.7 (82.2)	5392.7 (84.6)	46369.8 (97.1)	1559.3%
4. Vegetables products	231.9 (0.2)	201.7 (0.2)	519.5 (0.1)	224%	72.1 (0.3)	156.3 (0.5)	252.1 (0.1)	349.6%
5. Chemical products	132.9 (4.9)	249.2 (5.8)	437.6 (8.3)	329.3%	76.9 (2.5)	193.0 (2.1)	93.0 (0.4)	120.8%
6. Machinery and mechanical appliances	1084.5 (30.8)	1084.6 (29.4)	2207.8 (30.8)	203.6%	20.4 (0.6)	37.1 (0.6)	46.2 (0.1)	226.5%
7. Vehicles, aircraft, vessels and associated transport equipment	242.0 (6.9)	877.8 (16.7)	1216.3 (17.0)	502.6%	143.9 (4.0)	84.8 (1.3)	130.5 (0.3)	90.6%

Note: Numbers in parenthesis are the share of product groups in total imports/exports.

Source: The State Statistical Committee of the Republic of Azerbaijan, Yearbook: 2005-2009.

B. Import Dynamics and Structural Shifts in Trade Composition (2004–2008)

The examination of import dynamics from 2004 to 2008 reveals two significant trends:

1. An increase in the proportion of production-oriented goods in imports, driven by heightened foreign direct investment linked to oil contracts;

2. A rise in the share of food and chemical products within total imports.

Additionally, notable alterations in the export structure were observed during this timeframe. By 2008, mineral products accounted for 97.1 percent of total exports, reflecting a 15.5-fold increase in their share compared to 2004. Overall, no other products held a substantial share in Azerbaijan's exports.

A detailed analysis of the export commodity structure indicates that Azerbaijan's exports during this period were primarily focused on raw materials. Similar patterns can be noted in the export scenarios of other CIS nations. A key factor contributing to this situation is the underdevelopment of the local manufacturing sector, which struggles to compete in global markets. Furthermore, the abundant natural resources and raw material reserves in these countries exacerbate this issue. Evidence from other nations suggests that a raw material-resource oriented foreign trade strategy can lead to uneven development and the emergence of a mono-structural economy. This reliance also heightens vulnerability to fluctuations in global commodity prices, increasing foreign economic risks and adversely impacting the profitability and efficiency of foreign trade.

Product groups	2004		2006		2008		2008 changes compared to 2004	
	Import	Export	Import	Export	Import	Export	Import	Export
Total	100	100	100	100	100	100	-	-
Food and live animals	9.9	2.7	7.6	3.6	11.4	0.8	1.5	-1.9
Beverages and tobacco	0.9	0.5	2.1	0.6	3.2	0.0	2.3	-0.5
Crude materials, inedible, except fuels	2.9	2.6	2.9	3.2	2.9	0.2	0	-2.4
Mineral products	11.4	82.2	11.6	84.6	1.6	97.1	-9.8	14.9
Animal and vegetable oils, fats and waxes	0.9	1.1	0.7	0.8	0.9	0.2	0	-0.9
Chemicals and related products, not elsewhere specified	4.9	2.5	5.8	2.1	8.3	0.4	3.9	-2.1
Manufactured goods classified chiefly by material	22.5	3.1	17.2	2.8	16.9	0.9	-5.6	-2.2
Machinery and transport equipment	37.8	4.5	46.2	1.9	47.5	0.4	9.7	-4.1
Miscellaneous manufactured articles	8.8	0.8	5.8	0.4	7.2	0.0	-1.6	-8.8

Table 1.2 shows mono structuralism trend in foreign trade of Azerbaijan.

Source: The State Statistical Committee of the Republic of Azerbaijan, Yearbook: 2005-2009

C. Energy Sector Agreements and Oil Export Expansion

Since 1994, agreements concerning oil and natural gas between Azerbaijan and international corporations, along with collaborative efforts in these sectors, have facilitated the introduction of advanced technologies into the nation and the revitalization of its energy infrastructure. This dual impact has led to a rise in oil consumption and heightened the significance of oil. The primary pipeline for oil export is the Baku-Tbilisi-Ceyhan route, while the Baku-Tbilisi-Erzurum pipeline serves as the main conduit for natural gas exports to the global market. Consequently, through economic

reconstruction and integration into the global economy, Azerbaijan has established itself as a crucial player, achieving the necessary transmission lines for energy resource exports. The initiation of oil production at the Chirag deposit in November 1997 marked a turning point, with petrol production witnessing an increase in 1998. Oil output reached 15.3 million tons in 2003, 15.5 million tons in 2004, 22.2 million tons in 2005, and 32.3 million tons in 2006. The 2006 production surpassed the previous record of 23.4 million tons set in 1941. By 2007, oil production had escalated to 41.7 million tons, peaking at 56 million tons in 2009, before settling at 46 million tons in 2011. Until 2007, domestic natural gas production only satisfied 40% of the country's needs. However, following the development of the Shah-Deniz deposits, domestic natural gas production in Azerbaijan surged by 81% in 2007, reaching 11 billion cubic meters, and further increased to 15 billion cubic meters in 2008.

In 1997, Azerbaijan derived approximately 75% of its export revenues from oil and oil-related products. However, the following year, the country experienced a significant decline in income due to plummeting oil prices, which exacerbated the budget deficit as oil-related tax revenues diminished. This situation was further complicated by the foreign trade balance, which was influenced by an increase in oil exports resulting from the country's participation in international agreements concerning Caspian energy resources. The growth in foreign trade was directly linked to contracts established for oil reserves and their subsequent utilization. The proportion of oil and oil products in Azerbaijan's exports was recorded at 64.8% in 1998, rising to 75.9% in 1999, 84% in 2000, 91.23% in 2001, and slightly declining to 81.23% in 2002, before stabilizing at 82% in 2004. This upward trend was primarily attributed to the export of crude oil, which saw both an increase in unit prices and export volumes. By 2005, the share of oil revenues in total exports continued to grow. Given that Azerbaijan's primary exports consist of oil and natural gas, the economy has become increasingly reliant on energy prices. The exports of petroleum, petroleum products, and natural gas have been on the rise, highlighting a critical issue for Azerbaijan's economy, which is overly dependent on a single sector. As illustrated in Table 2, crude oil and petroleum products account for approximately 80-85% of Azerbaijan's export share, a figure that surpassed 90% post-2008 due to declining oil prices amid the global financial crisis. To mitigate the adverse effects of falling oil prices, Azerbaijan has sought to boost its exports of crude oil and petroleum products.

Products exported	2003	2005	2006	2007	2008	2010
Crude petrol	70.07	51.04	60.40	53.05	92.49	86.53
Oil products	15.35	25.07	23.63	27.55	4.30	6.02
Black metals and products made from them	1.09	1.02	1.03	1.27	0.48	0.53
Alcoholic and non-alcoholic beverages	0.16	0.22	0.30	0.35	0.04	0.07
Chemical industry products	1.97	3.03	3.03	1.54	0.23	0.22
Cotton	1.29	0.93	0.61	0.52	0.03	0.02
Tobacco and tobacco products	0.33	0.59	0.31	0.12	0.01	0.03
Non-ferrous metals	1.04	0.00	0.00	0.00	0.00	0.00
Tea	0.15	0.00	0.00	0.00	0.00	0.00
Fruit and vegetable	0.00	3.97	2.07	2.70	0.45	0.73
Vegetable and animal oil	0.00	1.57	0.99	1.37	0.26	0.88
Aluminum and products made of it	0.00	1.23	1.12	1.51	0.26	0.01
Other products	8.56	11.32	6.51	10.02	1.45	4.95
Total	100.01	99.99	100.00	100.00	100.00	99.99

Table 2. Azerbaijan export structure (%) source: data of Azerbaijan State Institute of statistics, 2011

D. Budget Dependency on Oil Revenues and Risk of Dutch Disease

The reliance of the state budget on petroleum and petroleum product exports has significantly increased in

correlation with fluctuations in oil prices. In 1997, oil taxes accounted for 57% of the total tax revenue. During the years 1996 and 1997, oil revenues represented 50% of the overall budget revenues. The decline in oil prices between 1997 and 1998 adversely affected state revenues and the overall economic stability. Specifically, the contribution of oil revenues to the budget was recorded as follows: in 2002, the share of oil revenues attributed to the State Oil Company of Azerbaijan Republic (SOCAR) was 36.5%, which decreased to 31% in 2003. However, when considering the transfers from the State Oil Fund (SOFAR), the oil industry's contribution to budget revenues rose to 39.1%. By 2004, this figure increased to 40.9%, with SOCAR contributing 31.6% and SOFAR contributing 9.3%. In recent years, the oil sector has played a crucial role in enhancing budget revenues, with the share of oil revenues in the budget continuing to rise from 2005 to 2012.

Direct allocations from oil revenues to the state budget ranged between 50% and 65%. In 2012, a decision was made to allocate 9 billion AZN from the Azerbaijan State Oil Fund to budgetary expenditures. Over the past three years, approximately 80% of the budget has been derived from oil and natural gas revenues, compelling the government to bolster non-oil sectors. However, the risk of Dutch Disease persists within the nation. In 2005, energy source revenues represented 51.4% of total budget revenues, a figure that surged to 75% by 2012. Currently, around three-quarters of budget revenues stem from natural gas and oil, highlighting an increasing reliance on a singular sector, which poses a significant challenge to the economy. Merely investing the profits from the State Oil Fund into agriculture will not suffice for the government to escape the clutches of Dutch Disease. Addressing this issue will require the implementation of policies aimed at fostering the development of export-oriented industrial sectors.

Furthermore, the Azerbaijani economy continues to be predominantly reliant on oil and gas production, which constitutes approximately 92% of export revenues and more than half of the state budget. Using the template established in the previous step, the system proceeds to recognize each field within the form. The system supports recognition of various types of fields (fig. 2):

Years	Budget revenue, million Manat	Budget expenditures, million Manat	Budget deficit	GDP	Budget deficit / GDP, %
2000	715.5	763.8	-48.3	4718.2	-1.024
2001	783.8	806.6	-22.8	5315.6	-0.429
2002	910.2	931.7	-21.5	6062.5	-0.355
2003	1225.5	1234	-8.5	7146.5	-0.119
2004	1481.2	1501	-19.8	8530.2	-0.232
2005	2055.2	2140.7	-85.5	12522.5	-0.683
2006	3881.2	3789.7	91.5	18037.1	0.5073
2007	6006.6	6059.5	-52.9	26815.1	-0.197
2008	10762	10680	82	40137.2	0.2043
2009	10325.9	10567.9	-242	35578.7	-0.7
2010	11403	11765.9	-362	42465.1	0.5
2011	15700.7	15396	+304	50 069	0.9
2012	16438	17072	-634	50 080	0.9

Table 3 State Budget of Azerbaijan (AZN) Source: data of Azerbaijan State Statistics Agency, 2012.

E. Export Mono-Structuralism and Vulnerability to Global Market Volatility

Figure 2.1 and Figure 2.2 illustrate the proportion of oil products within total exports from 1996 to 2008, as well as the volume of oil exports during the same timeframe.

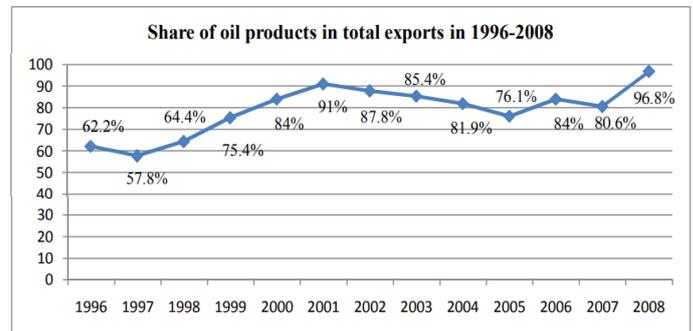


Figure 2.1: Share of Oil Products in total exports (1996-2008) Source: The State Statistical Committee of the Republic of Azerbaijan.

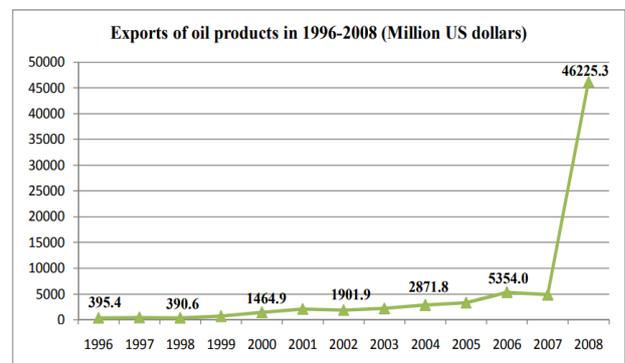


Figure 2.2: Exports of Oil Products in 1996-2008 (Million US dollar) Source: The State Statistical Committee of the Republic of Azerbaijan.

Figure 2.1 illustrates that in 1996, oil products constituted 62.2 percent of total exports. By 2000, this proportion had risen to 84 percent. In 2001, the share of oil and oil products in Azerbaijan's total exports surged to an unprecedented 91 percent. However, in 2002, this share experienced a decline of 3.2 percent, settling at 87.8 percent. As depicted in Figure 2.1 and Figure 2.2, although the physical volume of oil and oil products increased from 2003 to 2007, their share in total exports decreased to 80.6 percent by 2007. This trend can be interpreted as a favorable shift in the structure of Azerbaijan's export commodities. Nevertheless, in 2008, due to a rise in oil production, the share of oil in total exports escalated to 96.8 percent. The predominance of fuel-energy products in Azerbaijan's exports, coupled with the increasing trend, poses a significant risk of a severe crisis or even paralysis of the national economy should there be substantial fluctuations in the global market.

F. Diversification Challenges and Shifts in Trade Geography

Regarding imports, it is important to highlight that the composition of import activities does not meet the desired standards. From 1991 to 2008, consumer goods, including food items, tobacco, alcoholic drinks, and light industrial products, constituted a substantial portion of total imports. Although the country possesses sufficient capacity and advantages for the production of these goods, the significant proportion of such products in overall imports hinders the

growth of the domestic production sector that could potentially replace imports.

It is important to highlight that oil contracts, particularly those associated with the 'Contract of the Century,' have had a favorable effect on import dynamics over recent years. The execution of these oil contracts has resulted in a substantial rise in overall imports.

As a result, the trend of mono structuralism is becoming more pronounced in the country's import-export activities. The predominant influence of mono structuralism in exports is primarily associated with oil and its derivatives. Given that the total export value of this category is contingent upon fluctuations in the global market, the current circumstances are precarious and unstable.

Azerbaijan may be at risk of experiencing Dutch Disease if it fails to develop its non-oil sectors and manufacturing industries. The internal manufacturing sector will encounter heightened competition upon its accession to the World Trade Organization. Therefore, it is imperative to carefully consider all the aforementioned factors.

Following its independence, Azerbaijan continued to rely on the economic framework established prior to that period. Between 1991 and 1993, approximately 80-85 percent of Azerbaijan's foreign trade was conducted with CIS countries. In 1991, the CIS accounted for 94 percent of total exports, but this figure decreased in subsequent years: 22.7 percent in 1999, 13.5 percent in 2000, 11 percent in 2002, 14.6 percent in 2006, and 3.4 percent in 2008. Similarly, the share of CIS countries in imports was 80 percent in 1991, with changes recorded as follows: 31.4 percent in 1999, 32 percent in 2000, 32.9 percent in 2002, 39.8 percent in 2006, and 32.7 percent in 2008.

Following the liberalization of foreign trade, Azerbaijan has developed bilateral trade relations with several Western nations, including the United States, Italy, France, England, and Germany. Consequently, the volume of trade with CIS countries has diminished as trade relations with other nations have expanded.

Over the past six years, the scope of foreign trade has expanded considerably. Table 1.3 illustrates that European nations have been pivotal in Azerbaijan's foreign trade relations during this period. In 2008, imports from EU countries accounted for 28.4 percent, while exports to these nations constituted 56.5 percent.

Azerbaijan's engagement in various trade agreements, partnerships, and regional economic initiatives underscores its advantageous geographic location and abundant natural resources. These collaborations contribute to economic development, promote regional stability, and reinforce Azerbaijan's connections in the global economy. Significant agreements and partnerships are crucial in influencing the nation's trade policies and enhancing its position in international trade.

II. STRATEGIC TRADE RELATIONS AND MULTILATERAL AGREEMENTS

Commonwealth of Independent States (CIS)

Azerbaijan is part of the Commonwealth of Independent States (CIS), a regional entity established by former Soviet

republics to preserve economic, political, and cultural connections. Membership in the CIS allows for preferential trade agreements among its members, which lowers tariffs and encourages more efficient trade. This is especially advantageous for Azerbaijan, given that Russia, a significant member of the CIS, is a crucial trading partner. Additionally, the CIS supports Azerbaijan in fostering trade relations with other member countries like Kazakhstan and Belarus, thereby promoting regional stability and collaboration.

Economic Cooperation Organization (ECO)

As a participant in the Economic Cooperation Organization (ECO), Azerbaijan collaborates with nations such as Türkiye, Iran, and various Central Asian countries to foster economic, technical, and cultural partnerships within the region. The initiatives undertaken by the ECO have been instrumental in advancing regional infrastructure and connectivity. A significant illustration of this is the North-South Transport Corridor, which connects Northern Europe to South Asia via Azerbaijan and Iran, thereby promoting trade and reinforcing Azerbaijan's position as a vital transit hub. This corridor is essential for enhancing Azerbaijan's trade connections with South and Central Asia.

Southern Gas Corridor Agreements

Azerbaijan's participation in the Southern Gas Corridor (SGC) initiative is pivotal to its energy diplomacy, establishing the nation as a crucial energy provider for Europe. The SGC facilitates the transportation of natural gas from the Caspian region to Europe, thereby diminishing Europe's reliance on Russian energy resources. Significant undertakings within this initiative comprise: Trans-Anatolian Natural Gas Pipeline (TANAP): This pipeline links Azerbaijan's Shah Deniz gas field to Türkiye and continues into Europe. Trans Adriatic Pipeline (TAP): This pipeline delivers Azerbaijani gas to Southern Europe, reaching nations such as Italy, Greece, and Albania. These energy initiatives bolster Azerbaijan's strategic significance and broaden its export markets, further embedding the country within the European energy security framework.

Bilateral Agreements with Türkiye

The partnership between Azerbaijan and Türkiye is founded on common cultural and political connections, alongside substantial economic collaboration. The Preferential Trade Agreement (PTA) facilitates reduced tariffs on certain goods, thereby promoting trade between the two nations. Furthermore, energy collaboration plays a crucial role in their alliance, highlighted by initiatives such as TANAP and shared investments in energy infrastructure, which emphasize the significance of cooperative efforts in ensuring energy security for both countries.

European Union (EU) Partnership and Cooperation Agreement (PCA)

The Partnership and Cooperation Agreement (PCA) established between Azerbaijan and the European Union regulates their economic interactions, emphasizing trade, energy cooperation, and harmonization of regulations. This agreement enhances the exchange of goods and investments between Azerbaijan and EU member countries, thereby promoting economic integration. Azerbaijan is a vital energy partner, significantly contributing to Europe's energy security strategy, especially through its involvement in the Southern Gas Corridor.

Belt and Road Initiative (BRI)

Azerbaijan plays a significant role in China's Belt and Road Initiative (BRI), which is a worldwide project aimed at improving infrastructure and trade connectivity. By engaging in BRI initiatives, Azerbaijan strengthens its status as a vital logistics center bridging Asia and Europe. The Baku-Tbilisi-Kars (BTK) railway serves as an essential component of this framework, linking Azerbaijan with Türkiye and Europe, thereby enhancing trade activities in the region. Additionally, investments in the Alat Free Economic Zone further establish Azerbaijan as a key participant in international trade networks, fostering economic development and regional cooperation.

Organization of the Petroleum Exporting Countries (OPEC) and OPEC+

Despite not being a full member of OPEC, Azerbaijan engages in collaboration with OPEC+, a coalition of oil-producing countries aimed at stabilizing the global oil market. Azerbaijan adjusts its oil production in accordance with OPEC+ agreements, contributing to the maintenance of price stability and advantageous conditions for oil exports. This alliance is essential for Azerbaijan's energy sector, allowing the nation to sustain its significant role in the international oil market.

Azerbaijan actively engages in multiple regional initiatives aimed at bolstering its economic and trade relationships. The GUAM organization, which includes Georgia, Ukraine, Azerbaijan, and Moldova, promotes trade, transportation, and economic integration among its members. Additionally, Azerbaijan collaborates with other nations in the Black Sea Economic Cooperation (BSEC) to enhance trade, energy, and transport cooperation, thereby strengthening regional economic connections. These various trade agreements, partnerships, and regional collaborations illustrate Azerbaijan's strategic commitment to stimulating economic growth, diversifying its trade relations, and solidifying its position as a significant player in both regional and global markets. Through these initiatives, Azerbaijan is establishing itself as a vital energy supplier and transit hub, contributing to long-term economic development and stability in the region.

Country groups	Imports			Exports		
	2004	2006	2008	2004	2006	2008
CIS	1200.6 (34.1)	2098.2 (39.8)	2340.4 (32.7)	614.2 (17.0)	929.7 (14.6)	1619.2 (3.4)
EU	1204.4 (34.3)	1624.3 (30.8)	2034.0 (28.4)	1972.6 (54.6)	3643.3 (57.2)	26979.1 (56.5)
BSEC	1000.5 (28.5)	1998.1 (37.9)	2846.1 (39.7)	747.0 (20.7)	1325.5 (20.8)	2526.9 (5.3)
ECO	704.1 (20.0)	996.9 (18.9)	1186.5 (16.6)	540.9 (15.0)	977.1 (15.3)	1430.9 (3.0)
GUAM	187.9 (5.3)	371.4 (7.1)	624.9 (8.7)	201.2 (5.6)	324.0 (5.1)	663.2 (1.4)
OPEC	79.1 (2.3)	127.5 (2.4)	172.3 (2.4)	294.5 (8.1)	320.2 (8.1)	1948.2 (4.1)
OIC	890.1 (25.3)	1087.6 (20.6)	1343.4 (18.7)	700.9 (19.4)	1034.9 (16.2)	3106.9 (6.5)
ESCAP	1173.2 (33.4)	1900.5 (36.1)	2639.2 (36.8)	422.3 (11.7)	631.4 (9.9)	1140.8 (23.9)
EFTA	100.1 (2.8)	67.6 (1.4)	94.5 (1.3)	3.7 (0.1)	5.5 (0.1)	110.2 (0.2)
ASEAN	139.8 (4.0)	20.6 (0.4)	102.5 (1.4)	132.5 (3.7)	69.0 (1.1)	1536.9 (3.2)
OECD	1825.7 (51.9)	2484.5 (47.2)	3543.8 (49.4)	2004.9 (55.5)	4046.9 (63.5)	34557.4 (72.4)

Table 1.3: Geography of Foreign Trade Relations and Dynamics of these Relations by Country Groups (Million US Dollars)

Source: The State Statistical Committee of the Republic of Azerbaijan, Foreign Trade Yearbook: 2005- 2009.

Russia

Russia stands as a key trading partner for Azerbaijan, with their bilateral trade deeply rooted in historical connections from the Soviet period. In 2023, the trade volume between the two nations reached \$4.5 billion, reflecting a consistent upward trend in recent years. Azerbaijan primarily exports agricultural goods to Russia, such as fruits, vegetables, and processed foods, leveraging its geographical proximity and robust logistical networks. Conversely, Azerbaijan imports machinery, industrial products, and food items from Russia, which are vital for its domestic manufacturing industry. Additionally, Azerbaijan's participation in the Commonwealth of Independent States (CIS) enhances its ability to engage in preferential trade agreements with Russia, thereby strengthening economic collaboration in sectors such as energy, transportation, and industrial products.

Türkiye

Over the years, Azerbaijan and Türkiye have strengthened their economic relationship, supported by mutual cultural, political, and economic interests. In 2023, the trade volume between the two nations exceeded \$5.36 billion. Azerbaijan mainly exports energy resources, such as crude oil and natural gas, to Türkiye, while it imports consumer products, machinery, and technology. The robust strategic partnership between the two countries is exemplified by initiatives like the Trans-Anatolian Natural Gas Pipeline (TANAP), which extends from Azerbaijan to Türkiye and links to the European market. This pipeline plays a vital role in the European Union's efforts to diversify its energy supply. Azerbaijan's energy exports to Türkiye constitute a significant component of its overall energy trade with Europe.

European Union (EU)

The European Union stands as one of Azerbaijan's principal trading partners, significantly influenced by the nation's abundant energy resources. In 2023, the EU's imports of energy products from Azerbaijan reached \$24.8 billion, representing over 90% of the country's total exports to the EU. Italy is the foremost importer of Azerbaijani energy products, notably oil and natural gas. Azerbaijan reaps benefits from the Partnership and Cooperation Agreement (PCA) with the EU, which is designed to harmonize regulatory frameworks and foster economic integration. The country's position as a vital energy supplier to the EU enhances its strategic significance, particularly as Europe endeavors to diversify its energy sources away from regions characterized by instability.

China

China has increasingly emerged as a vital trading partner for Azerbaijan, with bilateral trade figures reaching \$78.74 million in recent years. Azerbaijan primarily exports crude oil, metals, and various energy resources to China, while it imports electronics, industrial machinery, and consumer products. The Belt and Road Initiative (BRI) launched by China has played a pivotal role in bolstering trade relations, particularly through significant investments in infrastructure. A notable project in this context is the Baku-Tbilisi-Kars railway, which acts as an essential conduit linking Azerbaijan, Georgia, and Türkiye. This railway enhances Azerbaijan's position as a transit hub between Europe and Asia, thereby promoting increased trade between China and Europe.

Iran and Georgia

The trade relations of Azerbaijan with its neighboring countries, particularly Iran and Georgia, are crucial for its regional influence. Azerbaijan and Iran have established robust trade connections, particularly in agriculture, energy, and transportation sectors. Notably, the North-South Transport Corridor, which links Europe with South Asia, plays a pivotal role in facilitating trade through Azerbaijan, thereby strengthening its status as a trade and transport nexus. Additionally, trade with Georgia is of great importance, as Georgia is instrumental in the transit of Azerbaijani energy exports. Azerbaijani oil is conveyed through the Baku-Tbilisi-Ceyhan (BTC) pipeline, while natural gas is transported via the South Caucasus Pipeline (SCP). In 2023, Azerbaijan's exports to Georgia reached approximately \$1.6 billion, encompassing oil, chemicals, and machinery.

Central Asia (Kazakhstan and Turkmenistan)

Azerbaijan's commerce with Central Asian nations, including Kazakhstan and Turkmenistan, is primarily centered on energy resources and the development of transportation infrastructure. The country serves as a crucial transit pathway for Kazakh and Turkmen hydrocarbons through the Caspian Sea and the Southern Gas Corridor, which encompasses significant pipelines such as the Trans-Caspian Pipeline and the Baku-Tbilisi-Erzurum pipeline. In the year 2023, Azerbaijan's trade volume with Kazakhstan and Turkmenistan reached approximately \$1 billion, underscoring its pivotal role in the energy transportation and export frameworks of the region.

Italy

Italy stands as one of Azerbaijan's foremost trading allies within the European Union, with their economic ties largely influenced by energy exports. As the leading market for Azerbaijan's energy exports in Europe, Italy is integral to the trade dynamics between the two nations. The bilateral trade relationship is predominantly centered around energy exports, especially crude oil and natural gas. In 2023, Italy's imports from Azerbaijan reached approximately \$6 billion, primarily consisting of energy-related commodities. Crude oil represents the most significant export, with major oil refineries in northern Italy being primary consumers of Azerbaijani oil sourced from the Caspian Sea. Furthermore, Azerbaijan has been exporting natural gas to Italy, with these exports gaining traction following the completion of the Trans-Adriatic Pipeline (TAP), which is a component of the larger Southern Gas Corridor initiative. This pipeline has solidified Azerbaijan's position as a vital supplier of natural gas to European markets. Additionally, Azerbaijan exports a range of petrochemicals and derivatives, including polymers and chemicals, utilized in sectors such as manufacturing, automotive, and agriculture. Italy's role as a crucial energy consumer in Europe enhances its status as a significant trade partner for Azerbaijan. The advancement of energy infrastructure projects like TAP and TANAP not only strengthens Azerbaijan's energy exports but also deepens its economic connections with Italy. Italy's dependence on Azerbaijani oil and gas is in line with the European Union's overarching strategy to diversify its energy sources and improve energy security.

United States

The United States represents a significant trade ally for Azerbaijan, with commercial relations encompassing various sectors such as energy, machinery, and technology.

Historically, the energy sector has been the foundation of this partnership; however, collaboration has broadened to include non-oil exports and additional industries. In 2023, Azerbaijan's exports to the United States were estimated at around \$1.1 billion, with a considerable share attributed to the following categories: Energy: Similar to other key partners, crude oil remains the primary export from Azerbaijan to the U.S. American companies have played a crucial role in Azerbaijan's energy sector, with prominent oil corporations like ExxonMobil and Chevron engaging in joint ventures and oil extraction initiatives in Azerbaijan, thereby facilitating the distribution of oil to global markets. Petroleum Products and Chemicals: Azerbaijan also supplies a range of refined petroleum products and chemicals to the U.S., including lubricants, fertilizers, and various oil-derived products. Metals and Alloys: Additionally, Azerbaijan has exported certain precious metals and alloys to the U.S., particularly those utilized in industrial manufacturing. The U.S. has consistently supported Azerbaijan's energy sector through investments from American oil firms, exemplified by the Baku-Tbilisi-Ceyhan (BTC) pipeline, which conveys Azerbaijani oil to international markets. The U.S. remains an essential partner for Azerbaijan as it endeavors to diversify its export portfolio. The increasing interest in Azerbaijan's non-oil sectors, such as agriculture and high-tech industries, is anticipated to further enhance economic relations.

Israel

The economic partnership between Azerbaijan and Israel has evolved significantly over the last ten years, fueled by shared interests in energy, technological collaboration, and defense industry synergies. Despite the geographical distance, Israel has emerged as a crucial non-EU trading partner for Azerbaijan. In 2023, the trade volume between the nations reached around \$200 million, with Azerbaijan's exports predominantly concentrated in the following areas: Energy: Azerbaijan supplies a substantial quantity of crude oil to Israel, which has become increasingly dependent on Azerbaijani oil, particularly after the establishment of the Baku-Tbilisi-Ceyhan (BTC) pipeline that transports oil to Mediterranean ports. Agricultural Products: Azerbaijan exports a range of agricultural items to Israel, such as fruits (notably apples, grapes, and pomegranates), vegetables, and canned products. The demand for fresh produce in Israel, especially during off-seasons, positions Azerbaijan as a valuable supplier. Chemicals and Fertilizers: Fertilizers constitute another significant export from Azerbaijan to Israel, playing a vital role in supporting Israel's agricultural sector, particularly in its dry climate. The trade relationship is further reinforced by common strategic interests, including energy security, technological collaboration, and defense. Israel ranks among the largest consumers of Azerbaijani oil in the Middle East, while Azerbaijan gains from Israeli expertise in areas like water management, agriculture, and high-tech industries. Furthermore, both nations have witnessed a rise in cooperation in defense and cybersecurity, particularly in the domains of drones and cyber defense technologies.

Table 1.4 shows main import partners of Azerbaijan during 2004-2008. It is seen the table that the main import partners of Azerbaijan were Russia and Türkiye in 2008. In the 2004-2008 period, volume of imports from CIS countries increased by 94.9 percent (2340.4 million dollars).

As seen in Table 1.5, the share of exports to Italy in total exports is 40.2 percent in 2008 and this reveals the existence

of “a one country-one product syndrome”. During the studied period, volume of exports from CIS countries increased by 163.3 percent. At the same time, Azerbaijan is about to lose CIS countries as a sales market. For instance, Russia declined to 13th place from 3rd, Kazakhstan to 21th place from 10th , and Ukraine to 26th place to 16th .

Countries	Imports (Million US dollars)				Share in total imports (%)				Rank
	2004	2006	2007	2008	2004	2006	2007	2008	
Russia	569.5	1181.6	1004.2	1350.1	16.2	22.4	17.6	18.8	1
Turkey	225.0	385.0	624.65	807.0	6.4	7.3	10.9	11.3	2
Germany	198.5	403.8	472.1	598.6	5.6	7.7	8.3	8.4	3
Ukraine	170.4	317.5	465.6	567.2	4.8	6.0	8.2	7.9	4
China	145.5	222.5	278.8	478.6	4.1	4.2	4.9	6.7	5
UK	421.8	453.8	411.2	386.0	12.0	8.6	7.2	5.4	6
USA	131.9	197.9	269.0	267.2	3.8	3.8	4.7	3.7	7
Finland	6.9	167.7	151.5	245.9	0.2	3.2	2.7	3.4	8
Japan	127.1	188.3	295.1	241.5	3.6	3.6	5.2	3.4	9
Kazakhstan	236.7	127.3	222.3	200.0	6.7	2.4	3.9	2.8	10
Italy	106.7	124.6	140.9	188.5	3.0	2.4	2.5	2.6	11
S. Korea	24.1	46.9	91.6	162.6	0.7	0.9	1.6	2.3	12
France	120.1	55.8	103.8	132.8	3.4	1.1	1.8	1.9	13
India	47.0	57.4	72.0	110.4	1.3	1.1	1.3	1.5	14
Iran	45.3	85.9	105.2	97.2	1.3	1.6	1.8	1.4	15

Table 1.4: The Main Import Partners of Azerbaijan

Source: The State Statistical Committee of the Republic of Azerbaijan, Foreign Trade Yearbook: 2005- 2009.

Countries	Exports (mln. US dollars)				Share in total exports (%)				Rank
	2004	2006	2007	2008	2004	2006	2007	2008	
Italy	1614.9	2845.4	940.9	19220.1	44.7	44.7	15.5	40.2	1
USA	26.0	91.9	228.2	6014.3	0.7	1.4	3.8	12.6	2
Israel	323.7	684.8	369.8	3605.8	9.0	10.7	6.1	7.6	3
India	5.3	1.0	144.9	2432.5	0.1	0.0	2.4	5.1	4
France	66.9	347.5	258.8	2322.7	1.9	5.5	4.3	4.9	5
Spain	5.6	52.8	52.8	1497.7	0.2	0.8	0.9	3.1	6
Indonesia	129.4	0.1	390.2	1411.1	3.6	0.0	6.4	3.0	7
Netherlands	14.3	14.6	7.3	1353.4	0.4	0.2	0.1	2.8	8
Chile	-	-	114.6	933.9	-	-	1.9	2.0	9
UK	6.6	5.6	3.1	925.9	0.2	0.1	0.1	1.9	10
S. Korea	3.8	68.6	124.8	696.8	0.1	1.1	2.1	1.5	11
Turkey	182.6	388.1	1056.3	626.2	5.1	6.1	17.4	1.3	12
Russia	209.8	344.3	527.1	582.9	5.8	5.4	8.7	1.2	13
Canada	0.2	0.7	2.2	566.5	0.0	0.0	0.0	1.2	14
Croatia	109.2	3.6	39.9	542.7	3.0	0.1	0.7	1.1	15

Table 1.5: The Main Export Partners

Source: The State Statistical Committee of the Republic of Azerbaijan, Foreign Trade Yearbook: 2005- 2009.

The execution of the agreement for the construction of the Baku-Tbilisi-Jeyhan pipeline had a significant impact on foreign direct investment inflows from the participating nations, as well as influencing trade relations with these countries. Table 1.6 illustrates the foreign direct investments directed towards the oil sector from several of these nations:

Countries	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Turkey	67.8	31.6	11.8	55.6	30.4	80.1	96.2	136.6	109.2	145.2
UK	45.8	6.8	15.1	108.1	97.5	4.2	39.5	39.1	80.0	89.9
USA	29.8	11.2	16.9	41.4	42.8	8.4	24.8	70.0	78.0	87.9
Germany	6.2	1.7	1.2	1.7	0.5	2.1	21.5	17.4	22.9	48.2
Russia	-	-	1.4	0.7	1.6	1.8	5.1	4.6	10.7	5.8
Italy	-	-	-	-	14.7	3.7	4.6	2.8	14.0	2.0
France	25.4	39.3	7.6	25.7	14.7	2.2	2.6	11.1	4.4	-

Table 1.6: Foreign Direct Investments to the Oil Sector (1999-2008) (million US \$)

Source: The State Statistical Committee of the Republic of Azerbaijan, Yearbook: 1999-2009

Also dynamics of the foreign direct investments to the oil sector is presented in Figure 2.3. The upward trend in investment inflows can be seen from the figure.

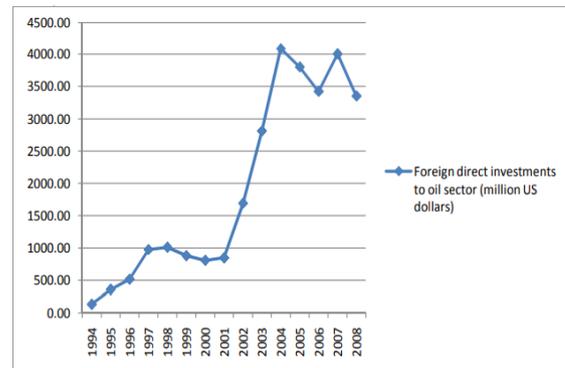
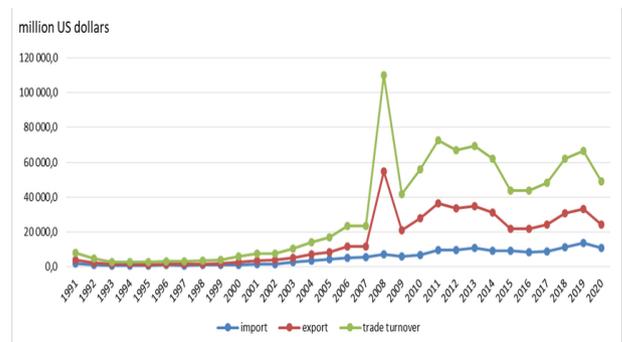


Figure 2.3: Dynamics of the Foreign Direct Investments to the Oil Sector (million US dollars)

Source: The State Statistical Committee of the Republic of Azerbaijan, Yearbook: 2000-2009.

The foreign trade relations of the Republic of Azerbaijan have a beneficial influence on its trade and economic landscape, fostering collaboration in essential sectors such as education, information and communication technology, cultural exchange, ecology, and scientific and technological advancement. In this context, the strategic regulation of these foreign trade relations, aligned with national interests, serves as a catalyst for sustainable economic growth. Analyzing the trends in Azerbaijan's foreign trade turnover reveals a remarkable increase of 6.1 times from 1991 to 2020, encompassing both imports and exports. Currently, the total foreign trade turnover stands at \$24.5 billion, with imports constituting 43.9% and exports 56.1% of this figure.



Foreign trade of Azerbaijan. Baku, 2021

Figure 2.4. Foreign trade turnover of the Republic of Azerbaijan, mln. USD

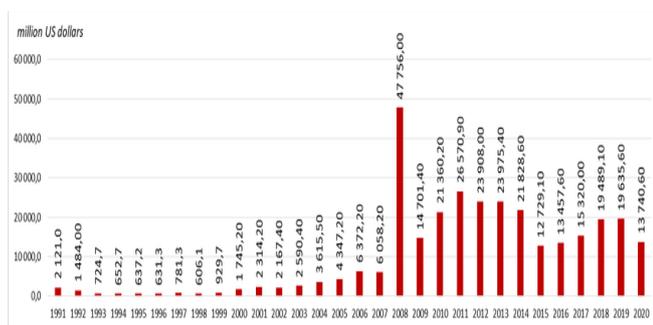
The Republic of Azerbaijan experienced its most significant surge in foreign trade turnover in 2008, reaching 54 billion US dollars. Subsequent years saw a slight but predominantly positive shift in this trend. An analysis of the foreign trade turnover balance during the studied years reveals a negative figure for the periods of 1994-1999 and 2003. In the 1990s, the export trade composition was heavily weighted, with oil products and cotton fiber constituting 57%, food and consumer goods 24%, and machinery, chemical, petrochemical, and metallurgical products 19%. On the import side, food and consumer goods made up 37% of total goods, while raw materials and logistics products accounted for 63%,

including 25% for gas. By 2009, oil products represented a staggering 92.8% of the country's exports, leaving only 7.2% for products from other industries, agriculture, and various sectors. This trend considerably undermines the potential and capabilities of national economic entities to penetrate foreign markets, as the increasing reliance on oil significantly heightens risk factors. In 2020, Azerbaijan's foreign trade relations were primarily with Italy, Türkiye, Russia, China, Germany, Ukraine, and other nations, with Italy accounting for 18.7%, Türkiye 17.0%, Russia 10.9%, China 7.5%, Germany 3.3%, and Ukraine 3.2% of the total.

To enhance the competitiveness of both industrial and agricultural products, our nation can strengthen its economic connections by broadening its foreign trade relationships. This approach will facilitate the integration and expansion of the Republic of Azerbaijan's presence in the global market, thereby increasing export volumes as part of its foreign economic strategy, while also ensuring that products meet competitive standards and requirements. The revenue generated from export activities serves as a mechanism for improving the efficiency of the country's foreign trade relations and fostering the development of wholesale markets. The income derived from foreign trade positively influences the growth, expansion, and investment strategies related to goods.

Consequently, engaging in extensive foreign trade operations and enhancing export capabilities is essential for any nation. Currently, the development and reinforcement of the Republic of Azerbaijan's export potential exhibit unique characteristics. These initiatives are pursued across various sectors and are grounded in the legal frameworks of public policy. Such elements are vital for establishing sustainable economic growth, enhancing foreign trade, boosting export potential, formulating long-term public policies, supporting entrepreneurship, advancing non-oil sectors, and identifying market segment directions.

Notably, a significant portion of the Republic of Azerbaijan's foreign trade turnover, amounting to \$13.8 billion, is attributed to export activities. A comparison with the year 2010 reveals a substantial decline in export operations within the foreign trade turnover, as this figure stood at \$21.7 billion in that year.



Source: Foreign trade of Azerbaijan. Baku, 2021
Figure 2.5. Products exported by the Republic of Azerbaijan, mln. USD

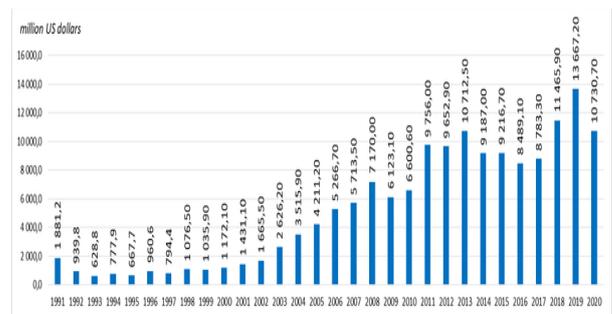
Our research, which is grounded in export indicators, suggests that the exchange rate exerts varying influences on the regulation of real exports in the global market. The export sector demonstrates that as a country's foreign trade relations strengthen, the elasticity of exchange rates during export

activities tends to increase. However, it is important to note that exchange rate elasticity can also produce negative consequences. The system of foreign trade and economic relations is characterized by fluctuations in exchange rates, which raises questions about the stability of the currency. It is imperative for the state to establish a consistent exchange rate; otherwise, certain economic activities may experience setbacks.

Exports serve as a crucial indicator of a nation's foreign trade relations in the global market. As the welfare of the population improves, foreign trade relations tend to expand, allowing a government reliant on a single export to acquire a greater volume of imported goods, or vice versa. For favorable conditions in foreign trade to exist, this indicator must exceed one. Nevertheless, it is insufficient to evaluate the entirety of foreign trade relations based solely on a single factor. Consequently, a comprehensive analysis of the dynamics, volume, and direction of the foreign trade activities of the Republic of Azerbaijan is essential.

Import refers to the act of bringing a product into a nation's territory with the understanding that it will not be returned. This encompasses products intended for consumption within the domestic economy as well as goods that are brought back into the country under a re-importation framework.

The quantity and diversity of products that a nation imports are essential in establishing its prominent position in the global market, as they encompass the volume and nature of goods exchanged in these trade relationships, which include both exported commodities and services. The ability to import is fundamentally supported by the revenue generated from exports, leading to an influx of foreign capital into the nation. If we conduct a statistical analysis of imported products in the foreign trade turnover of the Republic of Azerbaijan, we can see that this indicator has increased from 2010-to 2020. In 2010, it was \$ 6.6 billion, and in 2020 it increased to \$ 10.7 billion (Figure 2.6).



Source: Foreign trade of Azerbaijan. Baku, 2021
Figure 2.6. Products imported by the Republic of Azerbaijan, mln. USD

The Republic of Azerbaijan primarily imports a variety of goods, including meat, dairy products, butter, fruits and vegetables, tea, wheat, rice, tobacco, both vegetable and animal fats, plastics and their derivatives, pharmaceuticals, clothing and accessories, as well as ferrous metals and their derivatives, vehicles, machinery, mechanisms, electrical devices, equipment, and their components. Notably, machinery, electrical appliances, and their parts constitute 19.47% of these imports, followed by food products at 12.03%, vehicles and their components at 9.15%, and ferrous metals and their products at 7.67%.

Imports are growing quite intensively in almost all areas, which can be considered a direct result of the strengthening of the manat. As an exception, it is associated with importing high-yielding food and agricultural raw materials within the country.

III. CONCLUSION

Azerbaijan's trade dynamics illustrate its advantageous geographic position at the intersection of Europe, Asia, and the Middle East, establishing it as a pivotal participant in both regional and international trade frameworks. In recent decades, Azerbaijan has capitalized on its abundant energy resources, notably oil and natural gas, to forge robust economic relationships with a wide array of nations globally. Its export landscape is extensive and varied, ranging from Western countries such as Italy and the United States to Russia, Türkiye, Iran, and neighboring states in Central Asia and the Caucasus. The country's export portfolio includes energy, agricultural products, industrial goods, and technology. Significant exports like crude oil, natural gas, agricultural commodities, and petrochemicals have been instrumental in shaping Azerbaijan's trade relations, with energy exports serving as the primary driver of its economic advancement. Concurrently, Azerbaijan's initiatives to diversify its economy, particularly through non-energy exports such as metals, agricultural products, and industrial items, have increasingly impacted its trade patterns. The Southern Gas Corridor, featuring pipelines like TANAP, TAP, and BTC, underscores Azerbaijan's significance in global energy supply chains, especially as a crucial ally in the European Union's strategy to diversify energy sources. Azerbaijan's partnerships with nations such as Türkiye and Italy highlight the critical nature of energy collaboration, while its expanding trade with countries like China and Israel reflects its aspirations to reach beyond conventional markets. The Caucasus region, with Georgia as a strategic ally, and Central Asia, particularly Kazakhstan and Turkmenistan, are also integral components of Azerbaijan's trade network, particularly in energy transit, infrastructure development, and regional connectivity. Azerbaijan functions as an essential transit hub, connecting Central Asia to global markets and serving as a key channel for energy exports, particularly through the Caspian Sea and the Baku-Tbilisi-Kars railway. Moreover, Azerbaijan's alliances with Russia and Iran underscore its strategic significance in fostering regional stability and enhancing economic collaboration. These connections are vital for transit trade, energy initiatives, and agricultural exports.

In summary, Azerbaijan's varied and growing trade partnerships are essential for its economic advancement and regional authority. By making strategic investments in energy infrastructure, transportation networks, and regional collaborations, Azerbaijan is well-positioned to maintain a

crucial role in the global economy, serving as a conduit between the East and West, while reinforcing its status as a major energy exporter and regional trade center. As the nation continues to diversify its economy, its trade relations with both established and emerging markets will be critical for ensuring sustainable economic growth and geopolitical significance. Azerbaijan's foreign trade strategy has resulted in consistent economic growth, enhanced economic development, and deeper economic integration. This policy has further solidified Azerbaijan's global standing. The dynamics of foreign trade have positively influenced the internationalization of production within the country, leading to increased investment, the establishment of new economic frameworks, the advancement of trade and economic integration processes, reduced customs tariffs, and the application of scientific and technological advancements.

REFERENCES

- [1] Abbasov Ch.M., "Azerbaijan's integration into the world economy", 2005, p. 252.
- [2] Garibov A.H., Azizov A.A., Ahmadova S.E., "International trade operations", 2017, p. 256.
- [3] Azerbaijan's foreign trade. Statistical summary. Baku: SSC, 2021, p. 212.
- [4] Hasanov A., "Modern international relations and foreign policy of Azerbaijan", 2007, p. 904.
- [5] Imrani Z.T, Zeynalova K.Z., "Economic and geographical features of the territorial organisation of the economy in Azerbaijan", 2014, p. 232.
- [6] Ismayilov CH.I., "Theoretical foundations of the world economy", 2006, 251 p. 58.
- [7] Karimov E.N., "Problems of development of production activities of economic entities in Azerbaijan", 2012. p. 284.
- [8] Lomach L.A. "Stages of development and contradictions of the world economy // Locus: people, society, culture, meaning", № 2. 2010. pp. 71-82.
- [9] Maharramov A.M, Aslanov H.H., "Regulation of foreign economic activity", p. 400.
- [10] Maharramov A.M, Ganbarov F.A, Gulaliyev M.G., "Azerbaijan's foreign economic relations: Problems and prospects", 2015, p.332.
- [11] Maksimov A.V., "Corporate nature of interrelationships of national economies // Property relations in the Russian Federation", №7, 2005, pp.100-106.
- [12] Melnikov A., "The world economy and international economic relations (in diagrams and tables)", 2013, p. 240.
- [13] Serova D.B, Klopov E.A., "Protectionism and free trade in international economic relations // The role of the Eurasian Economic Union in the globalisation of the Russian economy: Collection of articles on the results of the International Scientific-Practical Conference", 2017, p.292.
- [14] OECD (2022). "Policy Review of Azerbaijan: Strengthening Economic Resilience."
- [15] United Nations Development Programme (UNDP) (2023). "Economic Diversification in Azerbaijan: Challenges and Opportunities."
- [16] Rahimova A., "Current state and perspective development directions of the country's foreign trade relations", 2018, pp.119-128.