Azerbaijan is a landlocked country in Southwestern Asia located at the crossroads of Eastern Europe and Western Asia. It is bounded by the Caspian Sea, Russia, Georgia, Armenia, and Iran. The government system is a republic. The chief of state is the president, and the head of government is the prime minister. Azerbaijan is a mixed economic system; there has been progress on instituting market-based reforms, but the structural economic system involves heavy government planning.

**Key Economic Facts**

- **Income Level (by per capita GNI):** Upper Middle Income
- **Level of Development:** In Transition
- **GDP, PPP (current international $):** $167.06 billion (2014)
- **GDP growth (annual %):** 2.00% (2014)
- **GDP per capita, PPP (current international $):** $17,515.62 (2014)
- **External debt stocks, total (DOD, current US$):** $9,219,134,000.00 (2013)
- **Manufacturing, value added (% of GDP):** 5.15% (2014)
- **Current account balance (BoP, current US$):** $10.21 billion (2014)
- **Inflation, consumer prices (annual %):** 1.39% (2014)
- **Labor force, total:** 4,850,138 (2013)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 5.50% (2013)
- **Imports of goods and services (current US$):** $19.72 billion (2014)
- **Exports of goods and services (current US$):** $32.55 billion (2014)

**GDP Composition %**

- **Agriculture:** 6
- **Industry:** 58
- **Manufacturing:** 5
- **Services:** 36

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

**Rankings**

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<td>Open Budget Index</td>
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</table>

**Risk Assessment (Provided by Coface)**

**Country rating:** C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating:** C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

**Strengths**

- Abundant oil and gas resources
- Development of new energy transit routes to the EU
- Skilled labor force

**Weaknesses**

- Inadequate economic diversification
- Risk of armed conflict with Armenia
- Governance problems and high level of corruption

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