

Economy

Overview: Azerbaijan is less developed industrially than either Armenia or Georgia, the other Transcaucasian states. It resembles the Central Asian states in its majority nominally Muslim population, high structural unemployment, and low standard of living. The economy's most prominent products are oil, cotton, and gas. Production from the Caspian oil and gas field has been in decline for several years, but the November 1994 ratification of the \$7.5 billion oil deal with a consortium of Western companies should generate the funds needed to spur future industrial development. Azerbaijan accounted for 1.5% to 2% of the capital stock and output of the former Soviet Union. Azerbaijan shares all the formidable problems of the ex-Soviet republics in making the transition from a command to a market economy, but its considerable energy resources brighten its long-term prospects. Baku has only recently begun making progress on economic reform, and old economic ties and structures have yet to be replaced.

National product: GDP - purchasing power parity - \$13.8 billion (1994 estimate as extrapolated from World Bank estimate for 1992)

National product real growth rate: -22% (1994 est.)

National product per capita: \$1,790 (1994 est.)

Inflation rate (consumer prices): 28% monthly average (1994)

Unemployment rate: 0.9% includes officially registered unemployed; also large numbers of other unemployed and underemployed workers (December 1994)

Budget:

revenues: \$167.5 million

expenditures: \$234.6 million, including capital expenditures of \$NA (1994)

Exports: \$366 million to non-FSU countries (f.o.b., 1994)

commodities: oil and gas, chemicals, oilfield equipment, textiles, cotton (1991)

partners: mostly CIS and European countries

Imports: \$296 million from non-FSU countries (c.i.f., 1994)

commodities: machinery and parts, consumer durables, foodstuffs, textiles (1991)

partners: European countries

External debt: \$NA

Industrial production: growth rate -25% (1994)

Electricity:

capacity: 4,900,000 kW

production: 17.5 billion kWh

consumption per capita: 2,270 kWh (1994)

Industries: petroleum and natural gas, petroleum products, oilfield equipment; steel, iron ore, cement; chemicals and petrochemicals; textiles

Agriculture: cotton, grain, rice, grapes, fruit, vegetables, tea, tobacco; cattle, pigs, sheep and goats

Illicit drugs: illicit cultivator of cannabis and opium poppy; mostly for CIS consumption; limited government eradication program; transshipment point for illicit drugs to Western Europe

Economic aid:

recipient: wheat from Turkey

Currency: 1 manat = 100 gopik

Exchange rates: manats per US\$1 - 4500 (April 1995), 4168 (end of December 1994)

Fiscal year: calendar year