Azerbaijan Economy in 2013

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Azerbaijan oil production started to decline rapidly since 2010. In fact, oil output in 2013 was almost the same compared to previous year. But the oil sector is still dominant in the country’s economy since the energy sector contributes 72,0 % of the budget revenues as well as 44,0 % of Azerbaijan’s total GDP. Thanks to affected growth in non-oil sector, the country was able to keep growth track last year since State Statistics Committee announced GDP growth was 5.8 % in this period. Oil production, however, has still had a profound effect on Azerbaijan’s domestic sector. One way to characterize its impact is by looking at the rents produced by oil - that is, the returns in excess of production costs - in the Azerbaijan economy.

The committee also reports that industry production increased by 1,8 % in non-oil sector and 10,0 % in oil sector. Meanwhile, state bodies believe that oil GDP increased by 0,1 % last year. CESD household survey and expert modeling has come to conclusion that both total GDP and non-oil GDP increased in 2013, however, CESD figures are not the same with official ones.

Some official figures, however, even do not support each other. There are discrepancy even between official reports of state bodies. According to the State Statistic Committee 43,1 million oil produced in 2013. The state committee found out 0,1 % growth in oil output. State Oil Company of Azerbaijan Republic (SOCAR), however, announced that 43,389 million ton oil produced in 2012 (http://new.socar.az/socar/en/home).

So, according to official figures oil output in Azerbaijan was 43,4 million ton in 2012 and 43,1 million ton in 2013. Just the comparison of official reports on oil output shows that oil production decreased 0,1 % in 2013 compared with 2012. The amusing thing is that even official figures do not confirm growth in this sector, but the State Statistics Committee officially announced growth for 2013.
### Main Economic Figures for 2013 in Azerbaijan

<table>
<thead>
<tr>
<th>Main Economic Figures</th>
<th>Government Report</th>
<th>CESD Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth</td>
<td>5.8 %</td>
<td>4.1 %</td>
</tr>
<tr>
<td>Non-oil GDP Growth</td>
<td>10.0 %</td>
<td>8.9 %</td>
</tr>
<tr>
<td>Oil Output</td>
<td>0.1 %</td>
<td>-0.1 %</td>
</tr>
<tr>
<td>Inflation Rate</td>
<td>2.4 %</td>
<td>4.7 %</td>
</tr>
<tr>
<td>Industrial Production</td>
<td>1.8 %</td>
<td>1.3 %</td>
</tr>
<tr>
<td>Agricultural Production</td>
<td>4.9%</td>
<td>4.0 %</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.2%</td>
<td>14.0 %</td>
</tr>
<tr>
<td>Currency Reserve</td>
<td>$ 50.0 billion</td>
<td>N/A</td>
</tr>
<tr>
<td>Monthly Salary</td>
<td>$ 538,0</td>
<td>$ 695,0</td>
</tr>
<tr>
<td>Revenues of citizens Increase</td>
<td>% 8.0</td>
<td>% 6.2</td>
</tr>
<tr>
<td>Poverty Line</td>
<td>6.0 %</td>
<td>15.0 %</td>
</tr>
<tr>
<td>External trade turnover, million USA $</td>
<td>39 702.9</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Source:** State Statistic Committee of Azerbaijan Republic and CESD, January, 2014

**Note:** CESD used different methods to calculate macro-economic figures including GDP growth while an aggregation method and a weighting variable are chosen. Reasons how choices of the data source, the aggregation method and the weighting variable create are based on CESD estimation. CESD also used oil production forecast and non-oil import and export, the volume of household and public consumption, capital formation and private and public investment data, as well as the impact of changing inflation on output to forecast GDP. The Center organized focus group discussions including meetings with representatives of different state agencies where estimations of macroeconomic data are included among the subject issues.

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**Azerbaijan Economy in 2013**
GDP Growth in 2013

According to the State Statistic Committee, Gross Domestic Product (GDP) increased by 5.8 % compared to last year and it was reached to 57.7 billion manat ($ 73.98 billion US) in 2013. The committee reported that industry contributed 46.3 % of GDP since construction sector has 11.8 %, services have 8.9 % and etc. Agriculture is still has marginal share in GDP which is about 5.3 %.

GDP per capita without PPP was 6207.3 manat (7912.5 US dollars) in 2013.

Meanwhile, the state committee reported that non-oil GDP increased by 10.0% and 1.0 % growth was observed in oil sector. CESD calculations, however, found that growth in non-oil sector was one-digital number and the center was not shared the state committee’s positive figure on oil output. According to the CESD calculations based on official reports, oil output decreased by 0.1 % in 2013.

State Statistic Committee reported that industry increased by 1.8 % compared to 2012 and reached to 33.7 billion manat ($ 48.33 billion US), its 74.0% or 24.9 billion manat ($ 31.98 billion US) was produced in mining sector. The state committee also reported that production output in oil sector of industry was increased by 1.1% and 4.8% in non-oil sector. From the products of mining sector 43.1 million tons or more than 0.2% crude oil, 17.9 milliard cubic meters or more than 3.6% marketable gas, 1619 kg or more than 3.6% gold was produced.

Azerbaijan exports oil worth over $ 20.0 billion US in 2013

During 2013, according to indicators of counters, Azerbaijan exported 34.245m tonnes of oil. Of this amount, 24.855m tonnes of oil for USD 20.244bn were exported on customs declaration, the State
Center for Economic and Social Development (CESD), Azerbaijan

Customs Committee has reported.

Of the total exports, 1.75m tonnes were exported via the Baku-Novorossiysk, 4.028m tonnes via the Baku-Supsa pipelines. The Baku-Tbilisi-Ceyhan meanwhile exported 27.474m tonnes of oil and 91.992 tonnes were exported by rail.

Foreign Trade: Oil Still Dominates

According to the data of State Customs Committee during January-November foreign trade turnover of the country was $ 31.7 billion US. 69.3% or $ 22.0 billion US of commodity circulation was exported goods, 30.7% ($ 9.7 billion US) – imported goods. In amount of $ 12.3 billion US positive balance was created. 88.2% of commodity turnover was implemented with far foreign countries, 11.8% with CIS member countries.

76.2% ($ 7.4 billion US) of imported goods was received from far foreign countries, 23.8% ($ 2.3 milliard US) from CIS member countries.

93.6% or $ 20.6 billion dollars of exported goods were sent to far foreign countries, 6.4% or $ 1.4 billion US to CIS member countries. More than corresponding period of 2012 tea, vegetable oil, sugar, mineral and fizzy drinks, fruit-vegetable cans, natural gas and etc. were exported.

Taking into account the data of State Oil Company and AIOC on export of crude oil on foreign trade turnover was equal to $ 39.7 billion US as well as export $ 30.0 billion US and in amount of $ 20.3 billion US positive balance was created. Along with increasing of foreign trade turnover by 4.0% also increasing was observed in export of non-oil products by 7.4% compared to corresponding period of 2012.

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The State Committee reported inflation was 1.1% meanwhile the figure is 3.0% in independent calculations.

According to the State Committee price and service tariffs of consumer goods increased by 2.4% in 2013 compared to 2012. The CESD survey verifies that inflation was 4.7% in indicated periods. Price increasing observed mainly in food products particularly meats.

Income Population in 2013

According to the State Statistic Committee, average monthly salary/wage of employees engaged in economic and social field of the country increased by 6.6% compared to January-November, 2012 and it was reached to 419.0 manat ($ 537.17 US). Average monthly salary/wage of employees engaged in different fields of economy was higher and it was 645.7 manat ($ 827.28 US) in industry, 616.8 manat ($ 790.78 US) in construction complex, 532.2 manat ($ 682.30 US) was the salary of transport workers, information and communication – 671.3 manat. ($ 860.64 US).

The state committee reported that income of population increased by 8.0% compared to previous year and reached to 37.6 milliard manat ($ 48.20 billion US), per capita amount was increased by 6.6% and reached to 4039.6 manat ($ 5178.97 US). 64.3% of income was spent to final consumption, 8.3% to taxes, social insurance and membership dues, 25.6% to the growth of deposits and capitals.

The official exchange rate is 0.7854 manat to $1 on January, 27, 2014

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