

Assessing the Strategic Partnership between the United States and Azerbaijan: Perspectives and Challenges

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Abstract

Charter on Strategic Partnership between the Government of the United States of America and the Government of the Republic of Azerbaijan: Realities and Challenges, signed in Baku on February 10, 2026, takes relations to a new level. The document covers the areas of regional coordination (energy, trade, transit), economic investments (artificial intelligence and digital infrastructure), defense and security. This study systematically analyzes the economic impact of the Charter on the Azerbaijani economy, digitalization and artificial intelligence, transport corridors (especially the Middle Corridor), and the TRIPP Project (Trump Route for International Peace and Prosperity).

Keywords: Charter on Strategic Partnership, TRIPP Project, Middle Corridor, digitalization, artificial intelligence, transport corridors, Azerbaijan-US economic cooperation.

1. Introduction

The Charter on Strategic Partnership, signed on February 10, 2026, is a historic milestone in Azerbaijan-US relations. The document was signed in Baku in the presence of President Ilham Aliyev and US Vice President J.D. Vance and prioritizes regional coordination, economic investments (AI and digital infrastructure), energy, trade and transit.

In the historical context, the Charter and TRIPP, developed after the 2020 Karabakh war, are a link between the US-mediated peace process and economic integration.

The Charter strengthens Azerbaijan's geostrategic position (Middle Corridor, North-South), supports the TRIPP Project (transit from the territory of Armenia to Nakhchivan) and stimulates digital transformation. The study conducts an analysis based on the provided statistical data (State Statistical Committee, Transit Coordination Council) and reports of authoritative international organizations (OECD, World Bank, ADBI).

2. Section I: Regional Connectivity, Including Energy, Trade, and Transit

This section, as one of the main parts of the Charter, is aimed at strengthening regional connectivity through energy, trade, and transit. The section regulates bilateral and regional cooperation, focusing on the Trans-Caspian Transport Corridor (Middle Corridor) and the TRIPP project.

An analysis of the provisions shows that it covers the development of land, sea, and air transport infrastructure, energy and data connectivity, trade facilitation, customs control, and international logistics. Point number five defines cooperation for economic growth, investment mobilization, expansion of the energy sector (oil, gas, electricity), civil nuclear cooperation, and transit of critical minerals. It emphasizes the role of Azerbaijan as an energy hub (projects such as the Southern Gas Corridor) and encourages cooperation with third countries (e.g., European gas supplies). TRIPP integration provides Azerbaijan-Nakhchivan connectivity, covering a 42-43 km multimodal corridor (road, rail, energy and fiber optic cables) passing through the territory of Armenia and connecting it to the Middle Corridor.

The implementation mechanisms envisage mobilizing public and private sector investments, targeting energy, transport and digital infrastructure projects on the Middle Corridor. TRIPP management will be carried out through the US-controlled "TRIPP Development Company" (74% US, 26% Armenian share), and components will be developed with SPVs (special purpose vehicles). Border management is regulated by the "front office-back office" model: the US operator manages the front office (fees, documents), Armenia maintains the back office. Implementation time: roadmaps within 3 months, annual meetings.

In terms of economic and social impact, the section could strengthen Azerbaijan's transit potential, increasing trade volume by up to 30% and contributing 2-3% to GDP, according to World Bank estimates. TRIPP is expected to stimulate economic and social development by creating an economic hub and creating jobs.

3. Section II: Economic Investment, Including Artificial Intelligence (AI) and Digital Infrastructure

This section focuses on developing Azerbaijan's non-oil sector by integrating economic investments with technological innovations. Structured in seven bullet points, the section highlights the development of AI and digital infrastructure.

The section supports Azerbaijan's integration into the global economy by emphasizing economic growth, investment and improving the business environment. The bullet points include trade dialogue platforms, private sector cooperation, AI (data centers), R&D mechanisms (innovation, cybersecurity), technical assistance, technological applications, joint research and

technology transfer. AI data centers and the space industry aim to transform Azerbaijan into a digital hub, integrating with the digital components of TRIPP (fiber optic cables).

The implementation mechanism of the section will attract investments through cooperation with the private sector (Microsoft, Nvidia, etc.). Mechanisms include venture capital, de-risking mechanisms and technology transfer

Economically and socially, the division will stimulate the contribution of the AI and digitalization sectors to GDP and create additional jobs. Socially, it will lead to a decrease in unemployment. Attracting technological investments and innovations will change the economic structure of the country.

Key results:

US investments through the Charter will be directed to digital infrastructure and artificial intelligence projects, accelerating the digital transformation of Azerbaijan.

In the transport sector (according to the statistics provided, transit cargo in 2024 was 19.1 million tons - an increase of 9%) through the Middle Corridor and TRIPP, cargo volume will triple by 2030, and travel time will be halved.

Economic impact: GDP growth +2–3%, creation of new jobs (logistics, technology), energy security and strengthening of geopolitical position.

TRIPP (Multimodal Transit from Armenia to Nakhchivan) increases Azerbaijan's transit potential.

4. Azerbaijan-American economic relations

The economic relations between the Republic of Azerbaijan and the United States of America are of a strategic partnership nature. These relations are not limited to the energy sector, but also cover the areas of trade, ICT, agriculture and transport logistics. The presented statistical data show that there have been serious fluctuations in trade turnover and the dominance of imports over the past 5 years. The Charter expands trade, investment and energy cooperation. US investments (SI and digital infrastructure) will diversify the non-oil sector.

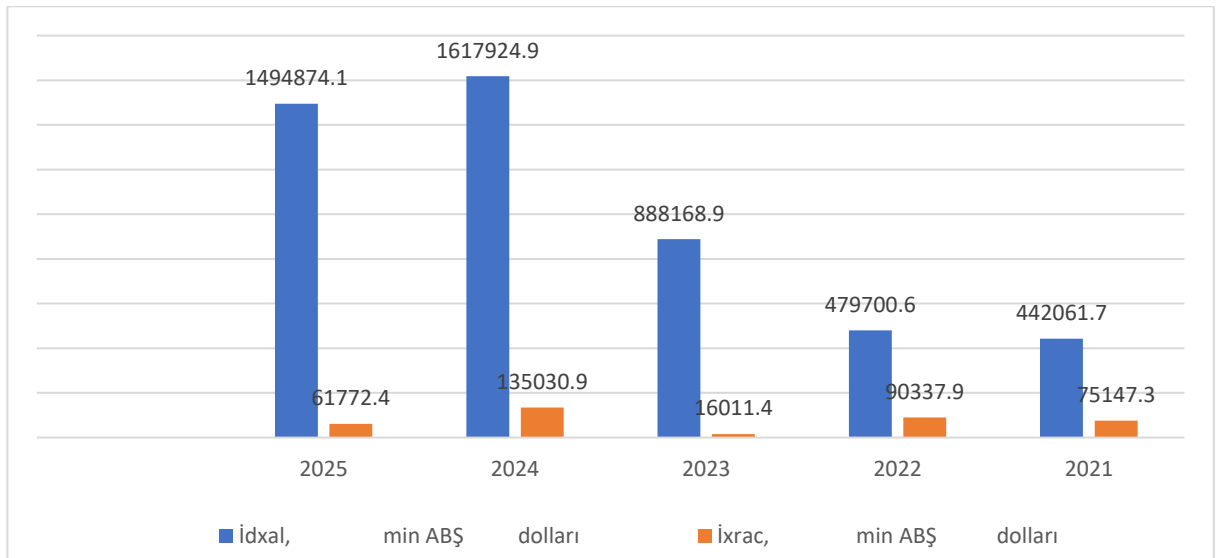
Table 1 shows that trade turnover between the two countries has entered a sharp growth rate since 2023. While imports in 2023 were \$888.1 million, in 2024 this figure almost doubled and reached \$1.6 billion. This increase is mainly related to high-tech equipment, vehicles and machinery imported to Azerbaijan. Azerbaijan's main exports to America are canned fruits and vegetables and juices, and kerosene fuel for jet engines.

Table 1. Indicators of trade relations between Azerbaijan and the United States

Years	Import, thsd. USD	Export, thsd. USD	Balance (export-import), thsd. USD	Compared to January-December of the previous year, in %	
				Import	Export
2025	1494874,1	61772,4	-1433101,7	92,4	45,7
2024	1617924,9	135030,9	-1482894,0	182,2	843,3
2023	888168,9	16011,4	-872157,5	185,2	17,7
2022	479700,6	90337,9	-389362,7	108,5	120,2
2021	442061,7	75147,3	-366914,4	69,5	301,4

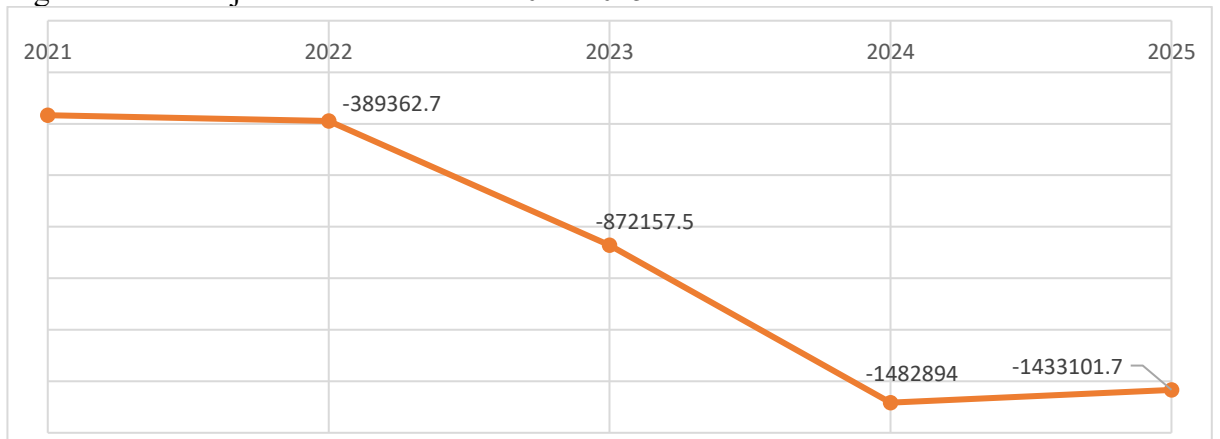
Source: State Statistical Committee of the Republic of Azerbaijan

Figure 1. Import-export between Azerbaijan and America, thousand US dollars



Source: State Statistical Committee of the Republic of Azerbaijan

Figure 2. Azerbaijan-US trade balance 2021-2025



Source: State Statistical Committee of the Republic of Azerbaijan

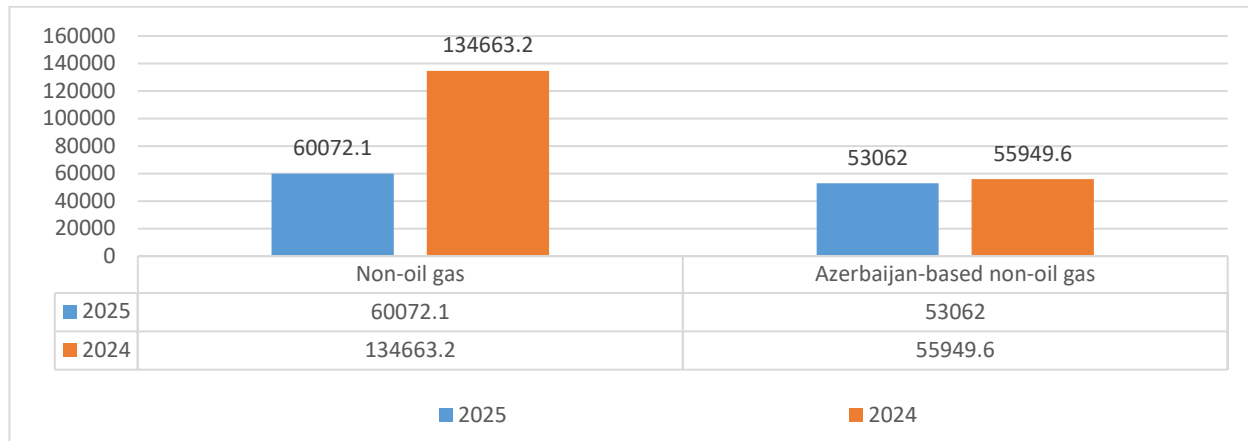
Azerbaijan has a chronic negative balance (deficit) in trade with the United States. In 2024, the negative balance amounted to -1.48 billion dollars. Thus, while in 2021 the trade balance between the countries was 366.9 million US dollars, in 2025 this figure increased by 3.9 times, reaching 1.4 billion US dollars. One of the most imported goods from the United States to Azerbaijan is vehicles. This includes not only American-made vehicles, but also vehicles exported to the United States from other countries.

Table 2. Exports of vehicles from the United States to Azerbaijan, number and amount (units and thousand US dollars)

Years	Number	Amount
2021	15263	138297,73
2022	7135	102394,95
2023	8964	136099,79
2024	10400	145113,99
2025	10350	132070,65

The instability of exports, with exports falling to a minimum level (\$16 million) in 2023 and rising again to \$135 million in 2024, indicates that the export structure is still not sustainable.

Figure 3. Exports of non-oil and gas products, million US dollars.



According to Figure 3, the majority of Azerbaijan's exports to the US fall into the non-oil and gas sector. In 2024, 42 percent of the \$1 billion 346.6 million worth of exported goods, or \$55.95 million, were of Azerbaijani origin, while in 2025, 88.3 percent of the \$60 million worth of non-oil and gas exports, or \$53 million in absolute terms, were of Azerbaijani origin. This is a positive indicator that shows that re-exports are decreasing and that domestic production is beginning to find its place in the US market. The main non-oil products exported to the US include chemical industry products, fruit juices, wines, and textile products.

5. Impact of the TRIPP Project on the Development of Transport Corridors

Azerbaijan participates in both the “North-South” and “East-West” transport corridors. At the same time, international transportation is also carried out through the country on the North-West and South-West routes. This means that although different corridors have different potential, transportation from Azerbaijan to all directions is possible and attractive.

The Middle Corridor (MC), more relevant after Russia’s intervention in Ukraine, is a multimodal transport corridor connecting China with Europe. Cargo is transported from China to Kazakhstan by rail to the port of Aktau, from there by ship to the port of Alat, and from there to Georgia by rail to Europe via the Black Sea or Turkey (Figure 4). East-West Transport Corridor (Ancient Silk Road)

Figure 4. MC is one of the trade corridors connecting Europe and Asia.



Source: World Bank (2023). “Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030”.

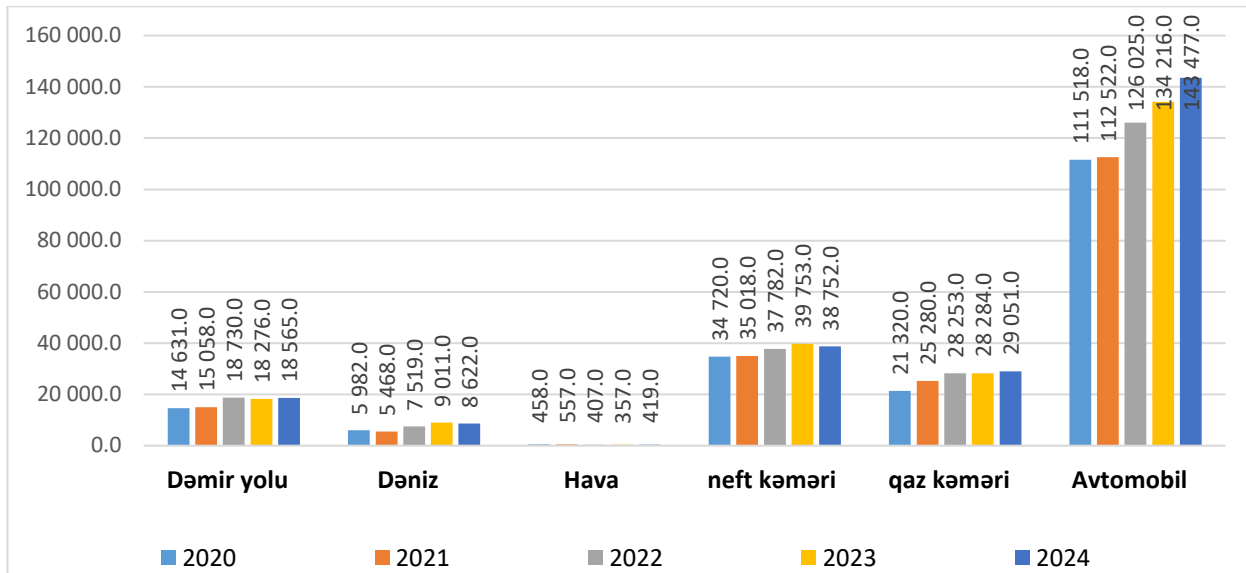
It is the shortest route connecting Europe and Asia and is of great importance in freight transport between China and Europe. The East-West Transport Corridor, which carries out transportation from China to Europe and vice versa, operates in the northern (upper), southern (lower) and (middle central) routes.

However, it is more efficient to export cargo to the world market via the Azerbaijan-Georgia-Turkey-Europe route - the Middle Corridor, passing through the Caspian Sea.

Although the Middle Corridor accounts for only 3-5% of the freight transported between China and Europe, due to the problems arising in the Northern Corridor due to the Russia-Ukraine war, and due to the new geopolitical and geoeconomic realities in the region, it is expected that the transportation through the Middle Corridor will increase by about 15-20%, or even more. Of course, as noted in the World Bank’s “Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030” report, “volumes are expected to triple by 2030 - but this will remain mainly a regional corridor and transcontinental trade will account for a small part of the volumes.”

TRIPP Project: The company, controlled by the US with a 74% stake, will create a multimodal passage from Armenia to the Nakhchivan Autonomous Republic. This will increase the transit potential of Azerbaijan, attracting new investments through the TRIPP Development Company.

Figure 5. Freight transportation in the transport sector (thousand tons, 2020-2024)



Source: State Statistical Committee of the Republic of Azerbaijan

In 2024, the total volume of transit cargo transportation, including rail, road, pipeline and air transport, amounted to 19.1 million tons. This figure represents an increase of 9% or 1.7 million tons compared to the previous period.

Excluding pipeline transportation, the total volume of transit cargo transportation was 14.5 million tons. This is an increase of 8% or 1.1 million tons compared to the previous period.

- A 6% increase was recorded in transit freight transport by rail. This corresponds to a volume of approximately 7.0 million tons and is 373 thousand tons more than in the previous period.

- Higher dynamics were observed in transit freight transport by road, and volumes increased by 11% to approximately 7.2 million tons. The actual increase was 686 thousand tons.

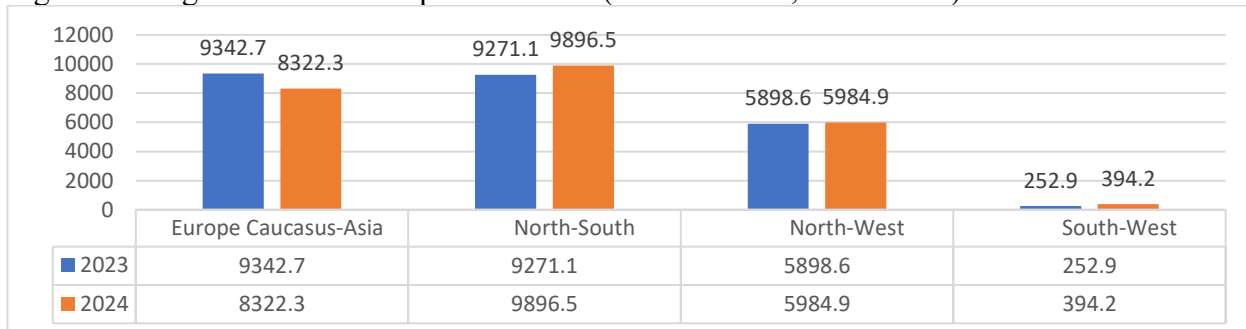
- A 26% increase was recorded in transit freight transport by air. The volume was approximately 304 thousand tons, which means an additional cargo turnover of 62 thousand tons.

In 2024, the number of transit container shipments amounted to 55,671 TEU. A 19% increase was observed compared to the previous year (in 2023 - 46,909 TEU).

In 2024, a total of 358 block trains were sent along the China-Central Asia-Azerbaijan route, of which 146 provided transit and 212 provided import cargo. Among the transported cargo, medical supplies, automobiles and automobile spare parts, bicycles, motorcycles, water pumps, food and non-food products, etc. had the main share.

The main reason for the increase in automobile transportation is the geopolitical situation, the abolition of the special road tax on dangerous goods and the increase in the tax on the weight of freight vehicles from 38 tons to 41 tons, as well as the opening of new customs checkpoints.

Figure 6. Freight traffic on transport corridors (thousand tons, 2023–2024)



Source: State Statistical Committee of the Republic of Azerbaijan

In 2024, 97% of transit traffic took place through four main corridors: East-West, North-West, South-West and North-South.

Transit transportation:

- 32% was carried out in the North-West direction. There was an increase of 0.3% compared to the same period of the previous year.
- 29% was carried out in the East-West direction. There was a decrease of 0.4% compared to the same period of the previous year.
- 22% was carried out in the South-West direction. There was an increase of 26% compared to the same period of the previous year (mainly related to transit cargo passing by road through the territory of Nakhchivan).
- 14% was carried out in the North-South direction. There was an increase of 26% compared to the same period of the previous year.

In 2024, transit cargo passing through Azerbaijan was more pronounced than through Uzbekistan (+27%), Kazakhstan (+36%), Iran (18%) and Turkey (+7%). Middle Corridor (Trans-Caspian Route) According to OECD and World Bank reports, by 2030, cargo volume will increase 3 times, and travel time will be halved. In 2024, transit will be 19.1 million tons (+9%).

In the development strategy of the TDT, the “Turkish World 2040 Vision”, the Middle Corridor is also included as a special line.

6. The impact of the Charter on the development of digitalization and artificial intelligence in Azerbaijan

The Strategic Partnership Charter between Azerbaijan and the United States aims not only at political and energy security, but also at cooperation in the field of high technologies and the digital economy.

The Government AI Readiness Index 2025, published by Oxford Insights, highlights the changes in countries’ readiness for AI. To assess the general trends and structural challenges that are shaping these outcomes globally, the World Bank’s Digital Progress and Trends Report 2025: Strengthening AI Foundations provides an important analytical framework for assessing the effectiveness of projects to be implemented under the Charter. The report’s main content line is the importance of the “4Cs” approach, which forms the basis of AI readiness. It is this approach that makes it possible for developing countries to evaluate AI not only as a technological innovation, but also as a tool for economic, social and institutional transformation, and clearly reveals what basic conditions need to be formed for countries to derive real benefits from AI.

The “4C” framework combines four key elements that form the basis of AI readiness:
connectivity - connectivity, including energy and digital infrastructure,
compute - computing power based on AI chips, data centers and cloud technologies,
context - context consisting of data, training resources, models and applications,
competence - competence, including digital skills and human capital.

The report highlights the priority of global coordination and investments to strengthen the “4Cs”. Within this approach, the report highlights the conclusion that AI will not deliver the expected results if investments in the “4Cs” are not planned separately, but as a single system, and that investments are not only considered technological modernization, but also as a prerequisite for strengthening economic sustainability, social inclusion and institutional capacity.

Oxford Insights has published the Government AI Readiness Index 2025, a comparative assessment of how well governments around the world are positioned to adopt and manage artificial intelligence (AI). In addition to the rankings, the index provides some clear insights into what currently enables or constrains the effective use of AI in the public sector. The Government AI Readiness Index, published by Oxford Insights, is one of the most authoritative sources

measuring countries' ability to integrate AI technologies into public services and manage the innovation ecosystem.

The 2025 Index is more comprehensive than ever before, examining the readiness of 195 governments across 69 indicators across 14 dimensions across six key Pillars: Policy Capacity, Governance, AI Infrastructure, Public Sector Implementation, Resilience, Development and Deployment. This new methodology provides a more holistic and forward-looking view of AI readiness than ever before. The Index highlights progress, identifies gaps and can be used to provide practical insights for governments seeking to integrate AI into decision-making, policy-making and public service delivery. According to Oxford Insights' Theory of Change model, an AI-ready government is one that can harness AI for the public good. To achieve this goal, governments use a number of "leverages".

This theory is built on the following 6 main pillars:

1. Policy Capacity

The government should have a clear national vision for AI and the resources to implement this vision. This also includes international cooperation.

2. Governance

The existence of ethical principles and a regulatory environment that protect human rights and the interests of society. The government should also exemplify these rules in its internal practice.

3. AI Infrastructure

Sufficient computing power and accessible, high-quality data should be provided for the long-term development of AI.

4. Public Sector Adoption

Government agencies should test AI to solve internal problems, scale effective solutions, and make them available to the public through digital services.

5. Development and Diffusion

A strong sector that drives AI innovations in the economy, sufficient human capital and the diffusion of technologies to various fields (industry, science, etc.) should be ensured.

6. Resilience

Managing the social, economic and environmental challenges that arise during the transition to AI. This includes monitoring the new risks brought by AI and protecting national security.

The government aims to achieve public benefits in the other 3 areas (Application, Diffusion, Resilience) through the first 3 pillars (Policy, Governance, Infrastructure).

Figure 7. Framework highlighting the Six Pillars and their components



Table 3. Indicators of Azerbaijan, Georgia and Armenia for 2025

Pillar	Azerbaijan	Georgia	Armenia
Policy Vision	40,00	10,00	30,00
Policy Commitment	62,50	25,00	25,00
Compute Capacity	4,16	4,83	3,29
Enabling Technical Infrastructure	74,93	65,67	60,86
Data Quality	75,25	77,54	58,91
Governance Principles	50,00	75,00	43,50
Regulatory Compliance	70,00	73,33	70,00
Government Digital Policy	40,48	35,00	45,00
E-Government Delivery	93,47	59,88	69,81
Human Capital	60,31	43,61	23,68
AI Sector Maturity	10,95	0,76	11,39
AI Technology Diffusion	45,34	46,18	42,38
Societal Transition	46,03	42,92	40,16
Safety and Security	66,67	26,33	15,33
Total	51,91	42,75	38,95
Rank	69,00	87,00	103,00

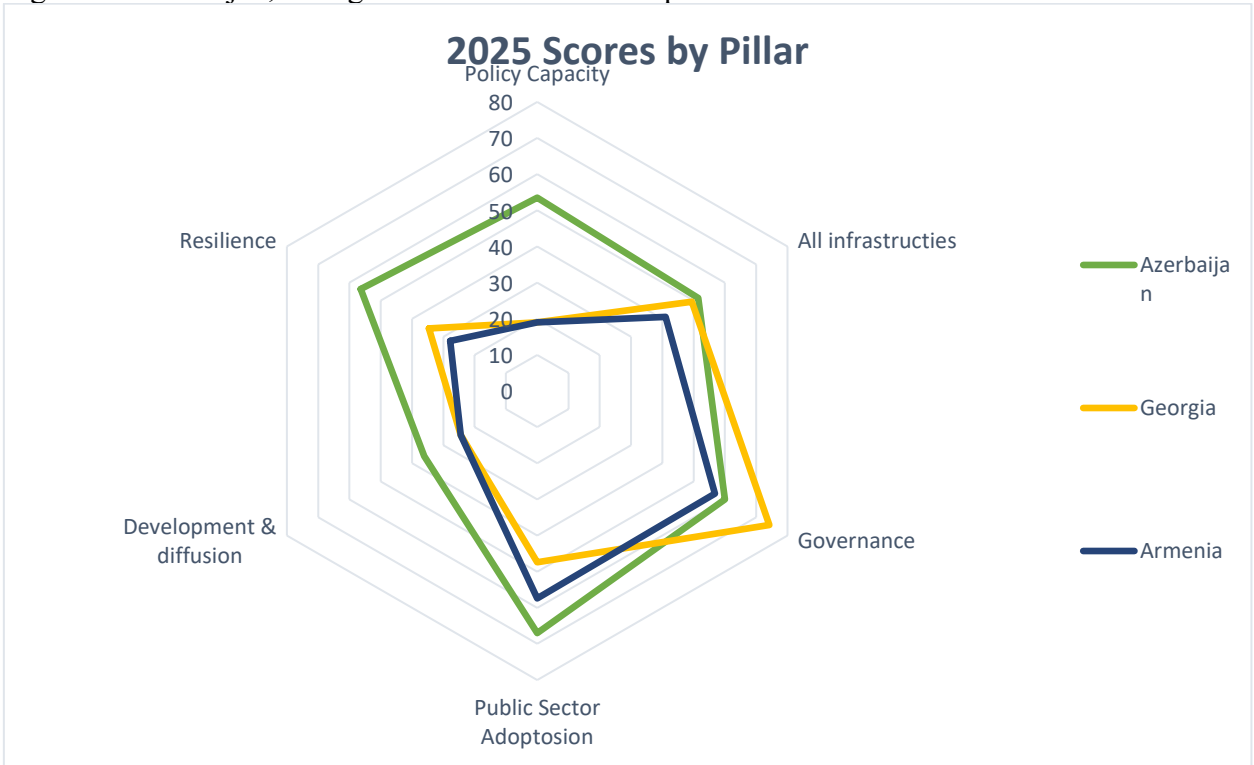
Source: <https://oxfordinsights.com/ai-readiness/government-ai-readiness-index-2025/>

Figure 6. Azerbaijan's ranking among the countries of the South and Central Asia region



Source: <https://oxfordinsights.com/ai-readiness/government-ai-readiness-index-2025/>

Figure 7. Azerbaijan, Georgia and Armenia’s 2025 performance under the Six Pillars



Source: HighCharts.com

According to Oxford Insights, Azerbaijan has risen from 111th place in the global ranking in 2024 to 69th place in 2025, with a score of 51.91, and is ranked fifth in the South and Central Asia region. The country continues to explore how to increase the use of artificial intelligence. However, the country has strong digital and innovation foundations, as well as other opportunities. The introduction of a special technology visa for international digital and AI talent is a promising example. In South and Central Asia, Kazakhstan rose to third place in the region with a score of 55.87, taking 60th place in the global ranking. In July, the country launched a domestic supercomputer. Neighboring Uzbekistan is also making solid and significant progress, and the country's president recently set a goal of training 5 million "AI specialists" by 2030. Having significantly improved the quality of public services through ASAN Service, launched in 2012, Azerbaijan is now taking the next step with the introduction of the ASAN Artificial Intelligence Center. One of the important mechanisms of the ASAN Artificial Intelligence Center is the "challenge" system. The purpose of this difficulty system is to bring together supply and demand for artificial intelligence solutions to solve problems for which the solution is unknown.

In addition to connecting competitors and solution providers, the center also eliminates structural gaps in the research ecosystem.

Table 4 reflects the main economic indicators of the ICT (Information and Communication Technologies) sector of Azerbaijan for 2020-2024 and their dynamics.

Table 4. Key indicators of the ICT sector

Indicator	2020	2021	2022	2023	2024
Product (service) output in the ICT sector (million manats)	2 158,2	2 249,7	2 514,8	3 028,1	3 437,6
communications sector (million manats)	1 714,8	1 824,5	1 920,6	2 254,4	2 513,5
Volume of added value created in the ICT sector (million manats)	1 600,9	1 663,8	1 822,2	2 021,8	2 282,9
communications sector (million manats)	1 312,9	1 395,6	1 436,7	1 540,6	1 710,3
Share of added value created in the ICT sector in GDP (million manats)	2,2	1,8	1,4	1,6	1,8
communications sector (million manats)	1,8	1,5	1,1	1,3	1,4
Investments in fixed capital by ICT enterprises (million manats)	177,2	135,0	392,7	385,8	653,2
Import of ICT products (million manats)	1 055,9	1 083,2	998,7	1 510,2	1 859,5
computer and peripheral equipment (mln. manat)	287,0	299,8	345,0	417,8	461,5
telecommunications equipment (million manats)	503,8	543,8	384,9	777,3	1 031,3
electronic equipment (million manats)	176,3	190,5	205,2	245,0	277,8
other ICT products (million manats)	88,8	49,1	63,6	70,1	88,9

Source: State Statistical Committee of the Republic of Azerbaijan

From April 1, 2021, the Center for Analysis and Coordination of the Fourth Industrial Revolution assumes the functions of the Azerbaijan Fourth Industrial Revolution Center Network of the World Economic Forum.

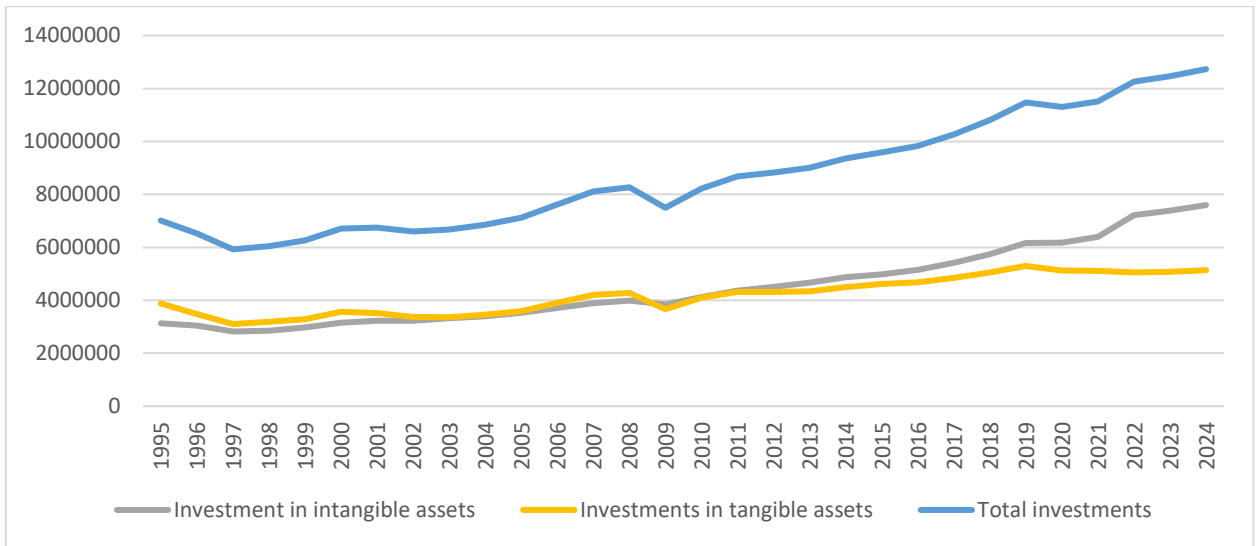
The foundation for the establishment of the Azerbaijan Fourth Industrial Revolution Center (C4IR Azerbaijan) was laid on January 21, 2020, with the signing of a protocol of intent between the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, and the President of the World Economic Forum, Mr. Borge Brende, at the World Economic Forum in Davos, Switzerland.

The center is the first center established by the World Economic Forum in the CIS space

Today, the most valuable companies derive their competitive advantage not from physical capital, but from intangible assets such as R&D, software, data, design, branding, organizational know-how and skilled labor that create significant economic value.

Intangible assets determine competitive advantage, innovation and customer loyalty in the knowledge economy. Although they are intangible, they accelerate economic growth, create high-paying jobs, and improve living standards.

Figure 8. Investment in tangible and intangible assets and total investment, 1995–2024, trillions of US dollars, at PPP



Notes: Investment data are presented at constant 2020 prices to reflect real-time trends and are aggregated across sample countries: Brazil, EU-22, India, the United Kingdom and the United States. Japan is excluded from this table due to the lack of PPP-adjusted constant 2020 price estimates. Data for Brazil are available for 2010–2021 and for India for 2011–2022. Source: World Intellectual Property Organization (WIPO) Global Database and LBS INTAN-Invest, July 2025.

Software and databases are growing faster than other intangible asset categories. Figure 9. Annual growth rate by intangible asset category, 2013–2022

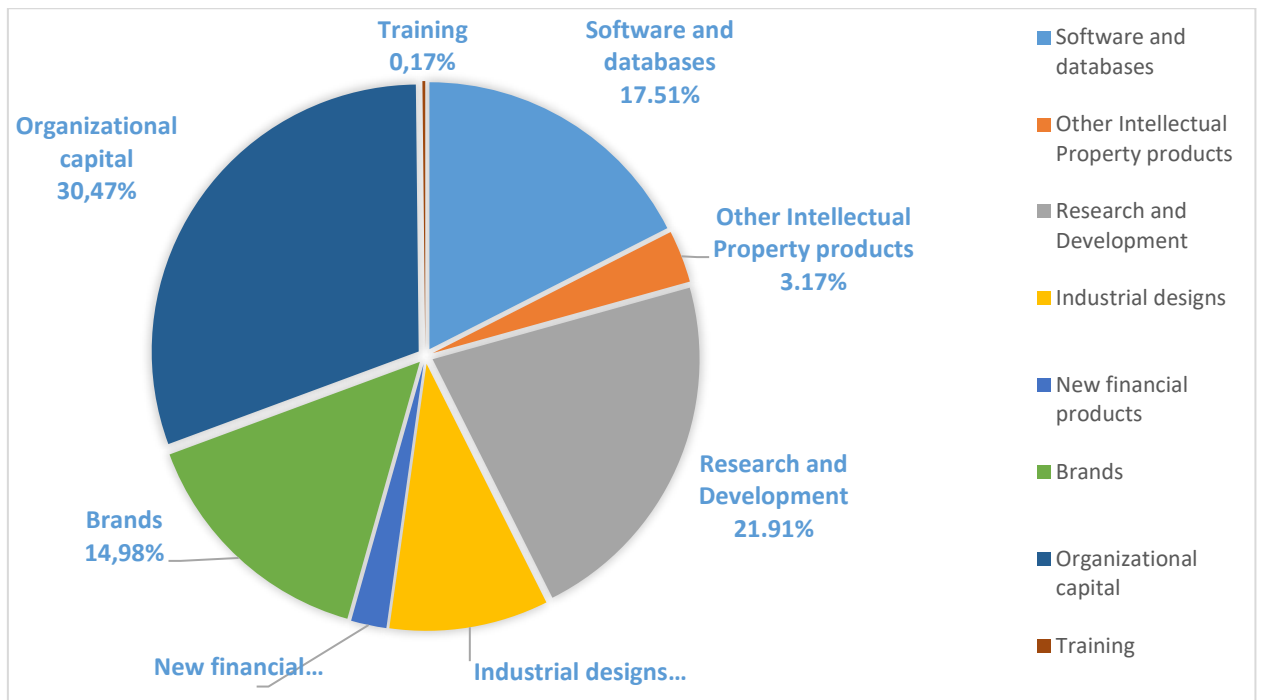
SOFTWARE AND DATABASES	7.38
NEW FINANCIAL PRODUCTS	6.68
RESEARCH AND DEVELOPMENT	6.03
INDUSTRIAL DESIGNS	5.998
BRANDS	5.998
ORGANIZATIONAL CAPITAL	5.21
OTHER INTELLECTUAL PROPERTY PRODUCTS	-1.65

Notes: Investment in intangible assets by asset category is collected for the sample countries: EU-22, India, Japan, United Kingdom and United States. Due to the lack of estimates for 2020 at constant prices for 2022, CAGR figures are calculated based on investment data expressed in current prices, reflecting nominal growth over the period 2013-2022. Brazil is excluded from this table due to the lack of data for 2022.

Source: WIPO Global Database and LBS "INTAN-Invest", July 2025

The largest share of investment in intangible assets falls on organizational capital, followed by research and development, software and databases.

Figure 10. Share of investment by category of intangible assets (percentage), 2022



Notes: Investment in intangible assets by asset category is collected for the sample countries of 2022: EU-22, India, Japan, the United Kingdom and the United States. 2022 is the latest year for which data are available for all types of intangible assets. The “Other” category includes new financial products and employer-provided training programs. Brazil is excluded from this table due to the lack of data for 2022.

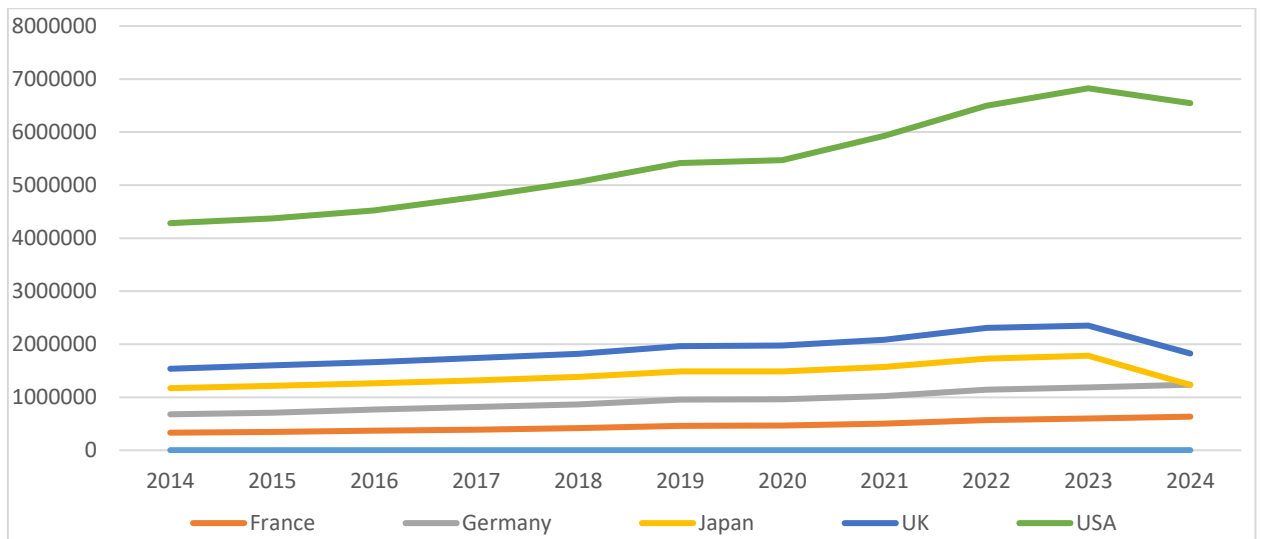
Source: WIPO Global Database and LBS “INTAN-Invest”, July 2025.

The increase in investment in software and data coincides with, and is likely related to, the current artificial intelligence (AI) boom.

The United States remains the global leader in investment in intangible assets by a significant margin. In 2024, investment in intangible assets in the United States rose to \$4.7 trillion in current prices; It was \$4.5 trillion in 2023, compared to \$4.2 trillion in 2022. This is nearly twice the combined total of the countries below the United States in the ranking of countries with the highest levels of intangible assets in their economies: France, Germany, the United Kingdom, and Japan. (Figure 11)

The United States leads in absolute investment in intangible assets, and in 2024 its level is nearly twice the combined figure of France, Germany, Japan, and the United Kingdom.

Figure 11. Investment in intangible assets, top five economies, 2014–2024, trillion US dollars



Note: Investment data is shown in current prices. Data for Japan is available for the years 2013–2023.

Source: WIPO Global Database and LBS "INTAN-Invest", July 2025

A significant increase in investment in the United States was observed in 2023 and 2024, partly due to substantial spending on AI-related infrastructure by leading technology companies such as Amazon, Google, Microsoft, NVIDIA and OpenAI. The large investments of these technology companies in supercomputers, cloud computing and other AI-related equipment are likely to have a significant macroeconomic impact on overall investment trends in the United States.

“Azerbaijan Railways CJSC has launched the “Cargo tracking” platform for real-time tracking of container shipments on the East-West route.

The platform provides cargo owners and carriers with the following online:

- search by container and invoice number
- current location, last operation and station dates
- estimated arrival time and delay calculation
- container technical data

Currently covers the territory of Azerbaijan and Kazakhstan, integration with the countries of the Middle Corridor is planned in the future. The system makes transportation more transparent and operational”. (Qafqazinfo.az)

In March 2025, the “Artificial Intelligence Strategy” covering 2025-2028 was approved by the President of the Republic of Azerbaijan.

This document aims to accelerate the country's development in the field of artificial intelligence, support digital development and strengthen Azerbaijan's role in the global artificial intelligence ecosystem.

The main objectives of the strategy include promoting innovation and digital development in the mentioned area, increasing the competitiveness of the economy, organizing artificial intelligence-based information management, training qualified personnel, expanding knowledge and skills, strengthening cooperation between the public and private sectors, and establishing management mechanisms based on information security and ethical rules.

In February 2026, the President of the Republic of Azerbaijan signed the “ACTION PLAN for Accelerating Digital Development in the Republic of Azerbaijan for 2026–2028”.

This strategic document includes a set of comprehensive measures and strategic goals that will change the technological landscape of the country over the next three years. At the same time, optimization of public administration, improving the country’s position in international rankings, and increasing the share of the digital sector of the economy in GDP were identified as the main goals.

The Charter prioritizes investments in AI and digital infrastructure. Through the Charter, leading technology companies such as US tech giants Amazon, Google, Microsoft, NVIDIA, and OpenAI will invest in the development of infrastructure related to artificial intelligence. Artificial intelligence will be applied in logistics, customs, and control, and will be used in the management of TRIPP.

7. Conclusions and recommendations

The Charter on Strategic Partnership signed in Baku on February 10, 2026, takes Azerbaijan-US relations to a qualitatively new level. This document formalizes that relations are not limited to energy security alone, but also include innovative areas such as artificial intelligence, digital infrastructure, and regional transport corridors. The US linking the peace process with economic integration through the Charter forms a new mechanism for stability in the region.

The Charter on Azerbaijan-US Strategic Partnership has strengthened the country's geopolitical and economic synergy, formalizing its role as a "bridge" connecting both its digital and physical infrastructure to the global network. This makes Azerbaijan not only a regional, but also an important intercontinental economic actor. At the same time, the TRIPP project strengthens the Armenia-Azerbaijan peace process with economic interests. The implementation of this project will increase the throughput capacity of the "Middle Corridor" and reduce logistics costs by 15-20%. The Artificial Intelligence and Digital Hub strategies ensure that Azerbaijan quickly moves beyond the traditional industrial stages and directly enters the "knowledge economy". Partnerships with Microsoft and Nvidia can turn the country into the "Data Lab" of the region. The Charter will serve to form a sustainable and competitive digital economy in the country, to turn Azerbaijan into one of the leading countries in the relevant field, and to develop the digital economy. At the same time, the document in question will be a driver for the development of digital infrastructure and services, and digital skills in our country.

The figures on the trade balance between the countries show that Azerbaijan is no longer just an exporter of raw materials, but is also becoming a competitive country offering processing industry and high-tech services.

Based on the above, the following recommendations are:

1. In the field of Transit and Logistics:

Digital Customs and the "Green Corridor": The implementation of AI-based automated inspection systems at border crossing points within the framework of the TRIPP project will minimize time loss and increase the attractiveness of transit.

Creation of a Logistics Investment Fund: A joint fund should be created with US financial institutions to finance modern warehouse and terminal infrastructure along the Middle Corridor.

2. In the field of Digitalization and Artificial Intelligence:

AI Academy and Talent Bank: A Regional Artificial Intelligence Academy should be established in Baku with the participation of leading US universities. This would strengthen the "Competency" pillar of the "4C" model and ensure access of local personnel to the global market.

Local Cloud Infrastructure: To ensure data sovereignty and provide SMEs with cheap computing power, the local "Government Cloud" (G-Cloud) should be made more accessible to the private sector.

3. In the Private Sector and Non-Oil Export Sector:

"Made in Azerbaijan" Digital Branding: A special marketing strategy should be developed for the US market, especially state support (logistics subsidy) should be provided for direct sales of environmentally friendly agricultural and chemical industry products on platforms such as Amazon/eBay.

Venture Capital Legislation: Tax breaks and financial instruments such as "Convertible Notes" should be legalized to facilitate investment by the private sector and foreign investors in technological startups.

4. Monitoring and Evaluation:

Establishment of Strategic KPIs: An annual "Digital and Transit Index" should be compiled to monitor the implementation of the Charter. This will serve as a transparency indicator for foreign investors.

These proposals require close coordination between both the public and private sectors and will accelerate Azerbaijan's achievement of its socio-economic goals set for 2030.

The share of the digital economy in GDP will increase 2-3 times by 2030.

The Charter will accelerate this growth, increasing logistics efficiency with US technologies.

7. References and links

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