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# Azerbaijan Foreign Trade 2024: Statistical Analysis and Devaluation Expectations

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## Abstract

In 2024, one of the most notable developments in the Azerbaijani economy that demands detailed analysis is the transformation of foreign trade statistics. This article provides an in-depth examination of Azerbaijan's foreign trade landscape in 2024, focusing on its dynamics, structure, and geographic composition. It evaluates emerging trends, highlights current and future challenges, and considers devaluation expectations alongside their short- and medium-term implications. For a comprehensive perspective, the analysis also includes a retrospective review of the past three years, emphasizing the post-COVID recovery period.

**Keywords:** Azerbaijan, customs statistics, foreign trade turnover, export, import, trade balance, trade partner, goods, crude oil, natural gas, food products, currency, manat, devaluation

The State Customs Committee's report on the Customs Statistics of the Foreign Trade of the Republic of Azerbaijan for the period from January 1 to December 31, 2024, presents the main indicators of foreign trade customs statistics<sup>1</sup>. According to the report, in 2024, Azerbaijan's foreign trade turnover amounted to 47,612.1 million US dollars, including exports valued at 26,554.0 million US dollars and imports valued at 21,057.0 million US dollars, resulting in a positive trade balance of 5,496.0 million US dollars. Compared to 2023<sup>2</sup>, the foreign trade turnover decreased by 6.98 percent in US dollar terms, with exports declining by 21.67 percent and imports increasing by 21.82 percent. Compared to 2022<sup>3</sup>, the decrease in foreign trade turnover and exports, and the increase in imports, are expressed with greater relative differences. Specifically, in 2024, compared to 2022, foreign trade turnover decreased by 9.64 percent, exports decreased by 30.39 percent, and imports increased by 44.82 percent in US dollar terms. Table 1 presents the main indicators of foreign trade over the last three years.

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<sup>1</sup> [https://customs.gov.az/uploads/foreign/2024/2024\\_12.pdf?v=1737520142](https://customs.gov.az/uploads/foreign/2024/2024_12.pdf?v=1737520142)

<sup>2</sup> [https://customs.gov.az/uploads/foreign/2023/2023\\_12.pdf?v=1705581222](https://customs.gov.az/uploads/foreign/2023/2023_12.pdf?v=1705581222)

<sup>3</sup> [https://customs.gov.az/uploads/foreign/2022/2022\\_12.pdf?v=1674644815](https://customs.gov.az/uploads/foreign/2022/2022_12.pdf?v=1674644815)

**Table 1. Main Indicators of the Customs Statistics of Foreign Trade of the Republic of Azerbaijan for 2022-2024**

|   | 2022     | 2023     | 2024     |
|---|----------|----------|----------|
| Foreign Trade Turnover, mln. US dollars | 52,686.4 | 51,183.8 | 47,612.1 |
| Exports, mln. US dollars                | 38,146.6 | 33,898.5 | 26,554.0 |
| Imports, mln. US dollars                | 14,539.8 | 17,285.3 | 21,058.0 |
| Foreign Trade Balance, mln. US dollars  | 23,606.7 | 16,613.2 | 5,496.0  |

*Source: State Customs Committee of the Republic of Azerbaijan*

As shown in Table 1, the most significant change in the foreign trade statistics for 2024 is the foreign trade balance, primarily due to a decrease in exports and an increase in imports. Specifically, the foreign trade balance for 2024 is a total of 5,496.0 million US dollars, which is 3 times lower than the corresponding indicator in 2023 and up to 4.3 times lower compared to 2022. Additionally, it is worth noting that although decreases in the foreign trade balance were observed before the COVID-19 pandemic and during the pandemic years (5,968.3 million US dollars<sup>4</sup> in 2019, 3,009.8 million US dollars<sup>5</sup> in 2020, and 10,500.8 million US dollars<sup>6</sup> in 2021), in 2022, a significant increase in this indicator was recorded. Generally, since the double devaluation of 2015, decreases in Azerbaijan's foreign trade balance have been observed<sup>7</sup>, but in 2022-23, compared to previous years, it concluded with increases. Thus, the highest balance in the history of Azerbaijan's foreign trade statistics was recorded in 2022.

In my opinion, according to customs statistics, although the balance recorded in foreign trade in 2024 sharply decreased compared to previous years, this decline is not catastrophic for the Azerbaijani economy for last year. This indicator is concerning due to the significant increase in imports in 2024, leading to a continuous negative balance in foreign trade for the last two months. Specifically, in 2024, negative balances were recorded in foreign trade in March, September, November, and December, while positive balances were recorded in other months. If this situation becomes a trend from 2025 onwards, it could pose risks to the national economy and especially to the national currency. We believe that from 2025 onwards, due to internal factors and external influences, risks in foreign trade turnover will increase. To observe the influence of the main factors that determine this, the structural analysis of export and import operations over the last three years is presented in Tables 2 and 3.

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<sup>4</sup> [https://customs.gov.az/uploads/foreign/2019/2019\\_12.pdf?v=1640608820](https://customs.gov.az/uploads/foreign/2019/2019_12.pdf?v=1640608820)

<sup>5</sup> [https://customs.gov.az/uploads/foreign/2020/2020\\_12.pdf?v=1640608671](https://customs.gov.az/uploads/foreign/2020/2020_12.pdf?v=1640608671)

<sup>6</sup> [https://customs.gov.az/uploads/foreign/2021/2021\\_12.pdf?v=1643353987](https://customs.gov.az/uploads/foreign/2021/2021_12.pdf?v=1643353987)

<sup>7</sup> [https://customs.gov.az/uploads/foreign/2015/2015\\_12.pdf?v=1640610112](https://customs.gov.az/uploads/foreign/2015/2015_12.pdf?v=1640610112)

**Table 2. Structure of Export Operations of the Republic of Azerbaijan for 2022-2024**

|  | 2022     |  |                            | 2023     |  |                            | 2024     |  |                            |
|--|----------|--|----------------------------|----------|--|----------------------------|----------|--|----------------------------|
|  | Quantity | Statistical value, in million US dollars | 2022 Exports Reference (%) | Quantity | Statistical value, in million US dollars | 2023 Exports Reference (%) | Quantity | Statistical value, in million US dollars | 2024 Exports Reference (%) |
| Goods in the Oil and Gas Sector              | -        | 35.098                                   | 92.01                      | -        | 30.550                                   | 90.12                      | -        | 26.554                                   | 87.36                      |
| Crude Oil and Crude Petroleum Products, Tons | 26,024   | 19.483                                   | 51.08                      | 26,047   | 16.240                                   | 47.91                      | 23,596   | 14.437                                   | 54.37                      |
| Natural Gas, Gaseous, Thousand Cubic Meters  | 18,965   | 14.989                                   | 39.29                      | 26,623   | 13.678                                   | 40.35                      | 25,772   | 8.406                                    | 31.66                      |
| Goods Not in the Oil and Gas Sector          | -        | 3.047                                    | 7.99                       | -        | 3.348                                    | 9.88                       | -        | 3.356                                    | 12.64                      |

*Source: State Customs Committee of the Republic of Azerbaijan*

As seen from the data in Table 2, in export operations over the last three years, both the quantity and statistical value of goods in the oil and gas sector have decreased in relative and absolute terms. Specifically, in US dollar terms, the decrease in goods in the oil and gas sector was 3.996 million US dollars in 2024 compared to 2023, and 4.548 million US dollars in 2023 compared to 2022. However, in contrast, the total statistical value of exports of goods not included in the oil and gas sector was 3.047 million US dollars in 2022, 3.348 million US dollars in 2023, and 3.356 million US dollars in 2024. As seen, over the last three years, the statistical value of the decrease in exports of goods in the oil and gas sector is higher than the total statistical value of exports of goods not included in the oil and gas sector. This indicates that overall, exports of goods not included in the oil and gas sector are not able to compensate for the existing losses from the decrease in exports of goods included in the oil and gas sector.

Regarding potential, the dynamics of exports of goods not included in the oil and gas sector over the last three years show that in 2024, compared to 2023, there was a slight increase of 0.2 percent in US dollar terms, and compared to 2022, an increase of 10.1 percent. Therefore, in the medium and long term, one of the key issues to address is increasing the volume of exports of goods not included in the oil and gas sector to maintain a positive balance of foreign trade, which depends on the development indicators of the non-oil and gas export-oriented economy.

**Table 3. Structure of Import Operations of the Republic of Azerbaijan for 2022-2024**

|   | 2022                                     |                            | 2023                                     |                            | 2023                                     |                            |
|---|--|----------------------------|--|----------------------------|--|----------------------------|
|   | Statistical value, in million US dollars | 2022 Imports Reference (%) | Statistical value, in million US dollars | 2023 Imports Reference (%) | Statistical value, in million US dollars | 2024 Imports Reference (%) |
| Food Products, mln. US dollars  | 2,363                                    | 16.25                      | 2,160                                    | 12.50                      | 2,474                                    | 11.75                      |
| Machinery, Mechanisms, Electrical Appliances, Equipment, and Their Parts, mln. US dollars | 2,891                                    | 19.89                      | 3,463                                    | 20.04                      | 3,872                                    | 18.39                      |
| Vehicles and Their Parts, mln. US dollars   | 1,771                                    | 12.18                      | 2,863                                    | 16.56                      | 2,426                                    | 11.53                      |
| Ferrous Metals and Products Made Therefrom, Tons  | 1,039                                    | 7.15                       | 1,100                                    | 6.37                       | 1,177                                    | 5.59                       |
| Others  | 4,357                                    | 29.96                      | 5,485                                    | 31.74                      | 8,887                                    | 42.22                      |

*Source: State Customs Committee of the Republic of Azerbaijan*

As shown in Table 3, in the structure of import operations for 2024, the absolute value of food products, machinery, mechanisms, electrical appliances, equipment and their parts, and ferrous metals and products made therefrom increased compared to the previous two years. In 2024, the statistical value of imports of transportation vehicles and their parts, and ferrous metals and products made therefrom, in physical volume, decreased compared to 2023. The total import

increased by 21.82 percent in 2024 compared to 2023, and among the structural changes, the most attention-catching is the increase in imports of food products by 314 million US dollars compared to 2023. In 2024, the total import of agricultural products increased by 1.5 percent<sup>8</sup> compared to 2023, indicating a gloomy outlook in this direction. It is expected that in 2025, the import of food products will increase further. This factor contributes to the overall increase in imports this year and the reduction of the positive balance of foreign trade.

In the geography of foreign trade in 2024, compared to 2023, some changes were recorded. Specifically, the Czech Republic, Australia, and Croatia entered the top ten list of Azerbaijan's main foreign trade partners, while Greece, Israel, and Spain left the top ten. Table 4 presents the main countries included in the top ten of Azerbaijan's trade turnover in 2024 and their specific weight in the total turnover.

**Table 4. Main Countries in Azerbaijan's Trade Turnover**

| Country Name   | Mln. US dollars | Percentage of Total Turnover (%) |
|----------------|-----------------|----------------------------------|
| Total          | 47,612          | 100.00                           |
| Including      |                 |                                  |
| Italy          | 11,390          | 23.92                            |
| Turkey         | 6,130           | 12.88                            |
| Russia         | 4,799           | 10.08                            |
| China          | 3,744           | 7.87                             |
| United States  | 1,752           |                                  |
| Germany        | 1,602           | 3.37                             |
| Australia      | 1,463           | 3.07                             |
| Czech Republic | 1,153           | 2.42                             |
| India          | 958.3           | 2.01                             |
| Croatia        | 878.7           | 1.85                             |

*Source: State Customs Committee of the Republic of Azerbaijan*

Regarding exports, compared to 2023, in 2024, Bulgaria and Croatia replaced Spain and Greece in the top ten geographical scope. In 2023, Israel, which was represented in the top three, saw its position weaken compared to the previous year. Table 5 presents the list of main countries included in the top ten for exports in 2024.

<sup>8</sup> <https://www.stat.gov.az/news/macroeconomy.php?page=1&lang=az>

**Table 5. Main Countries in Azerbaijan's Exports for 2024**

| Country Name   | Mln. US dollars | Percentage of Total Exports (%) |
|----------------|-----------------|---------------------------------|
| Total          | 26,554          | 100.00                          |
| Including      |                 |                                 |
| Italy          | 10,875          | 40.95                           |
| Turkey         | 3,819           | 14.38                           |
| Russia         | 1,178           | 4.44                            |
| Czech Republic | 1,088           | 4.10                            |
| Croatia        | 873.4           | 3.29                            |
| Germany        | 776.9           | 2.93                            |
| India          | 734.4           | 2.77                            |
| Israel         | 733.5           | 2.76                            |
| Bulgaria       | 683.0           | 2.57                            |
| Georgia        | 675.2           | 2.54                            |

*Source: State Customs Committee of the Republic of Azerbaijan*

Regarding imports, in 2024, for the first time in Azerbaijan's foreign trade history, China led the top ten. China's surpassing of Russia and Turkey in Azerbaijan's imports can be explained by the difficulties in trade relations and financial settlements due to the collective Western sanctions against Russia. Additionally, it should be noted that in 2023, China squeezed Turkey out of the second position in the top ten. In 2023, Australia took the place of Turkmenistan in the top ten for imports. Table 6 presents the list of main countries included in the top ten for imports in 2024.

**Table 6. Main Countries in Azerbaijan's Imports for 2024**

| Country Name  | Mln. US dollars | Percentage of Total Imports (%) |
|---------------|-----------------|---------------------------------|
| Total         | 21,058          | 100.00                          |
| Including     |                 |                                 |
| China         | 3,725           | 17.69                           |
| Russia        | 3,621           | 17.20                           |
| Turkey        | 2,310           | 10.97                           |
| United States | 1,617           | 7.68                            |
| Australia     | 1,463           | 6.95                            |
| Germany       | 825.7           | 3.92                            |

| Country Name             | Mln. US dollars | Percentage of Total Imports (%) |
|--------------------------|-----------------|---------------------------------|
| Islamic Republic of Iran | 633.0           | 3.01                            |
| Italy                    | 515.8           | 2.45                            |
| Belarus                  | 457.6           | 2.17                            |
| Japan                    | 409.0           | 1.94                            |
| Republic of Korea        | 384.7           | 1.83                            |

*Source: State Customs Committee of the Republic of Azerbaijan*

In conclusion, the geopolitical developments in the post-Soviet space where Azerbaijan is situated, alongside the adoption of the “Joint Declaration on the Establishment of Strategic Partnership between the Republic of Azerbaijan and the People’s Republic of China”<sup>9</sup> during the Shanghai Cooperation Organization summit held in Astana on July 3, 2024, have begun to influence Azerbaijan’s foreign trade dynamics. Notably, China has emerged as a key partner in imports, reshaping Azerbaijan's trade relationships.

Significant changes were observed in the structure and geography of foreign trade in 2024. While exports from the oil and gas sector declined at an accelerated pace, the increase in non-oil and gas sector exports remained marginal. Simultaneously, the rapid growth in imports reflects a weakening of sectors traditionally substituting imports, particularly in agriculture and industry, which showed signs of further decline.

The surge in imports has also amplified demand for foreign currency. Coupled with reduced export revenues, this trend has intensified pressure on the manat, heightening the likelihood of a devaluation of the national currency. These factors underscore the challenges and vulnerabilities within Azerbaijan's foreign trade framework in 2024.

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<sup>9</sup> <https://president.az/az/articles/view/66389>