

# T&C

## Snapshots

### Data Note

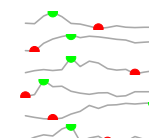


## Azerbaijan

| GDP (US\$ billions) (2017) | Population (millions) (2017) | Income per capita (current US\$) (2017) | Poverty rate (2005) | Unemployment rate (2014) |
|----------------------------|------------------------------|---|---------------------|--------------------------|
| 66.8                       | 9.8                          | 6,817.4                                 | 0.0                 | 5.2                      |

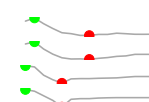
### Macro Indicators

|   | Avg 2003-2012 | 2013   | 2014   | 2015   | 2016   | 2017   |
|---|---------------|--------|--------|--------|--------|--------|
| GDP growth (annual %)                       | 12.93         | 5.80   | 2.80   | 2.00   | 2.63   | 2.68   |
| Current account balance                     | 8.32          | 16.49  | 13.76  | 2.89   | 5.49   | 7.40   |
| Fiscal balance (% of GDP)                   | 4.59          | 1.73   | 2.75   | -3.38  | -1.07  | 0.75   |
| Remittances, received (% of GDP) [1]        | 3.17          | 2.36   | 2.46   | —      | —      | —      |
| Real Effective Exchange Rate (2010=100)     | 70.97         | 102.50 | 107.50 | 105.31 | 108.02 | 109.47 |
| Consumer Price Index, annual percent change | 7.05          | 2.49   | 1.51   | 7.50   | 4.14   | 4.14   |



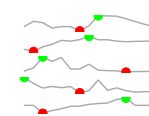
### Investment indicators

|   | Avg 2003-2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------|------|------|------|------|------|
| Gross domestic investment (% GDP)                               | 32.9          | 26.2 | 24.9 | 23.6 | 23.5 | 23.7 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 30.2          | 24.7 | 25.8 | —    | —    | —    |
| Inward FDI (% of GDP) [2]                                       | 10.1          | 3.6  | 6.0  | —    | —    | —    |
| Inward FDI, % of private investment [2]                         | 19.3          | NA   | —    | —    | —    | —    |



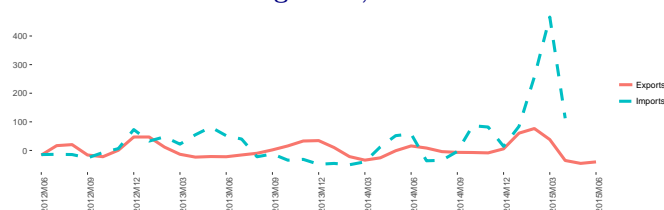
### Trade Indicators

|   | Avg 2003-2012 | 2013   | 2014   | 2015   | 2016   | 2017   |
|---|---------------|--------|--------|--------|--------|--------|
| Total Trade in Goods and Services (% of GDP, real terms)        | 106.69        | 126.36 | 121.93 | 116.85 | 112.16 | 107.82 |
| Trade balance (% GDP, real terms)                               | 0.84          | 7.62   | 5.15   | 6.48   | 7.28   | 7.72   |
| Exports, Goods and Services, annual percent change (real terms) | 18.90         | 1.50   | -2.50  | -1.00  | -0.61  | -0.66  |
| Imports, Goods and Services, annual percent change (real terms) | 17.37         | 10.00  | 1.10   | -3.60  | -2.47  | -2.00  |
| Total reserves in months of imports [1]                         | 4.26          | 7.39   | 7.92   | —      | —      | —      |



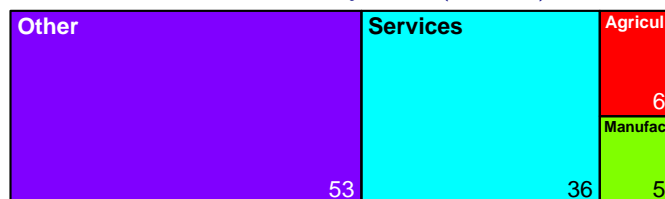
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

### Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

### Gross Value Added by Economic Activity 2013 (% GDP)

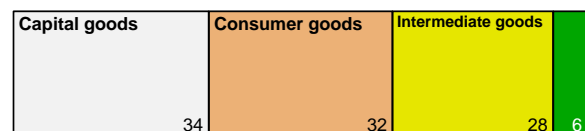


Source: World Development Indicators (WDI)

### Top 5 Exports by % of Total Value, 2014



### Imports Categories by % of Total Value, 2014



Source: World Integrated Trade Solution (WITS)

### Doing Business 2015 Ranks (among all countries)

|                                   | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 138          | 114          | 24             |
| Ease of Doing Business Rank       | 63           | 63           | 0              |
| Enforcing Contracts               | 40           | 40           | 0              |
| Getting Credit                    | 105          | 109          | -4             |
| Getting Electricity               | 104          | 110          | -6             |
| Paying Taxes                      | 33           | 34           | -1             |
| Protecting Minority Investors     | 54           | 36           | 18             |
| Registering Property              | 21           | 22           | -1             |
| Resolving Insolvency              | 85           | 84           | 1              |
| Starting a Business               | 11           | 7            | 4              |
| Trading Across Borders            | 93           | 94           | -1             |

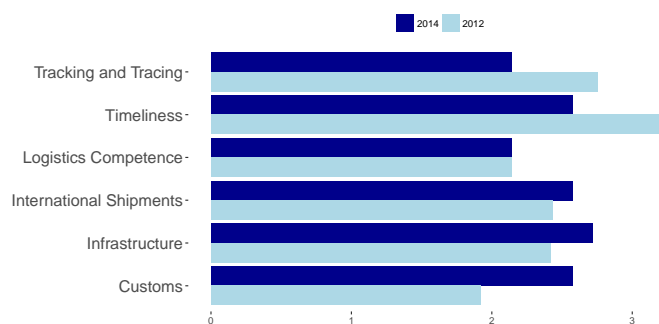
Source: Doing Business Report 2015

## WEF Competitiveness Indicators (Scale 1-5, 5=best)



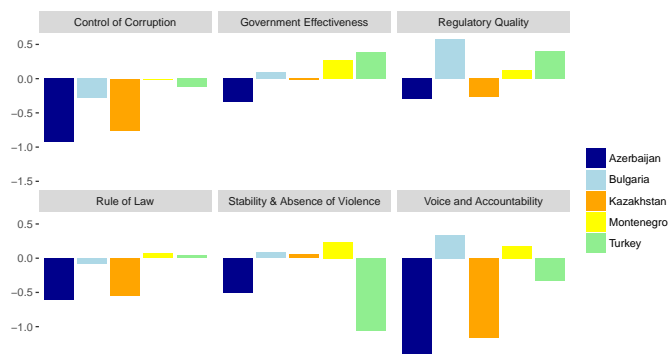
Source: WEF Global Competitiveness Report 2015

## Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

## World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

## Trade Policy

|  | 2011 | 2014 |
|--|------|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 8.8  | 9.5  |
| Dispersion (Standard Deviation)                    | 27.4 | 25.6 |
| Import duties collected (% , 2011-2013) [1]        | —    | 1.9  |
| MFN Tariff (Agriculture)                           | 17.7 | 15.9 |
| MFN Tariff (Non-Agriculture)                       | 8.3  | 8.6  |
| MFN Tariff (Simple Average)                        | 9.6  | 9.6  |
| Services sectors with GATS commitments [1]         | —    | —    |

Sources: WITS, [1] WTO Trade Profiles

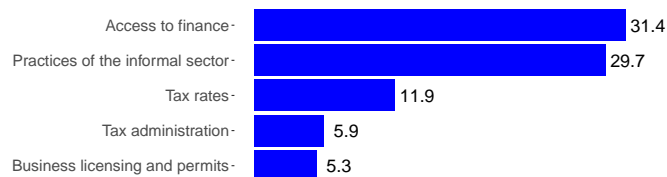
## Private Sector View

### Enterprise Survey 2013

|   | Europe and Central Asia | Azerbaijan | All Countries |
|---|-------------------------|------------|---------------|
| Number of electrical outages in a typical month   | 2                       | 0.60       | 6.30          |
| Percent of firms with a bank loan/line of credit  | —                       | 15.80      | 34.30         |
| Proportion of investment financed by banks (%)  | —                       | 21.90      | 14.30         |
| Proportion of investment financed internally (%)  | —                       | 77.40      | 71.80         |
| Senior management time spent dealing with the requirements of government regulation (%) | —                       | 0.30       | 9.90          |

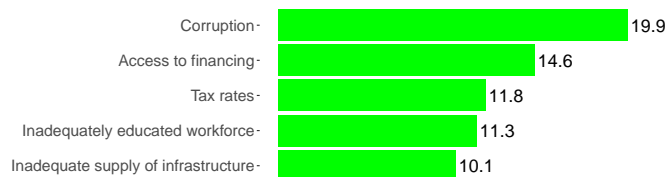
Source: Enterprise Survey 2013

### Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

### Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015



T&C Snapshots  
Operations  
Note



# Azerbaijan

## SCD/CPF

## Most Recent

| Product   | Document | Date       |
|---|----------|------------|
| Azerbaijan - Systematic country diagnostic  |          | 2015-09-28 |
| Azerbaijan - Country partnership strategy completion and learning review for the period FY2011-14 |          | 2015-08-07 |

## Planned

| Product | Concept Review Date | Board Date |
|---------|---------------------|------------|
| None    |                     |            |

## WB Lending Pipeline

[illegible]

## WB Portfolio

## Active

| Project ID | Project Name | Team Leader | Approval Date | Lending Inst. Type | Closing Date | Commitment (US\$M) | Undisbursed Balance (US\$M) | Project Rating DO | Project Rating IP | Overall Risk | Months in Problem Status |
|------------|--------------|-------------|---------------|--------------------|--------------|--------------------|-----------------------------|-------------------|-------------------|--------------|--------------------------|
| None       |              |             |               |                    |              |                    |                             |                   |                   |              |                          |

Closed

[illegible]

# WB ASA

## Active

| Task ID | Task Name                           | Team Leader   | Management Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|-------------------------------------|---------------|--------------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| P158794 | Azerbaijan Private Sector Growth TA | Melissa Rekas | 2017-03-31               | TA           | N         | 13                             | 13                                | 13                              | 13                                 |

## Closed

| Task ID | Task Name                           | Team Leader          | Management Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|-------------------------------------|----------------------|--------------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| P147678 | Azerbaijan Industrial Parks TA      | Qahir Dhanani        | 2014-06-28               | TA           | N         | —                              | 0                                 | 123                             | 123                                |
| P143678 | Economic Diversification and Growth | Mona Prasad          | 2014-04-09               | TA           | N         | —                              | 0                                 | 264                             | 264                                |
| P118061 | Structural Reform Support Phase 3   | Christos Kostopoulos | 2010-06-29               | TA           | N         | —                              | 0                                 | 275                             | 275                                |

# IFC ASA

## Active

| Project ID | Project Name                             | Team Leader   | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|--|---------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 599541     | Azerbaijan Investment Climate - Phase II | Kokaia, Irine | 2013-08-16       | 2015-04-30        | 1,370                     | 1,364                         | 0                                 |

## Pipeline

| Project ID | Project Name                            | Team Leader         | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|---|---------------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 600496     | Azerbaijan Agribusiness Competitiveness | Avaliani, Ekaterine | —                | 2018-12-31        | 2,300                     | 24                            | 24                                |

## Closed

| Project ID | Project Name  | Team Leader         | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|---|---------------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 558445     | Azerbaijan Business Enabling Environment  | Niederberger, Irina | 2007-09-05       | 2013-06-30        | 4,510                     | 4,511                         | 0                                 |
| 547745     | Licensing Review  | Liepina, Sanda      | 2006-06-08       | —                 | 0                         | 0                             | 0                                 |
| 538638     | Assistance to the Parliament of Azerbaijan on the Draft Investment Law              | Akinci, Gokhan      | 2005-08-22       | —                 | 0                         | 0                             | 0                                 |
| 538639     | Joint FIAS/MIGA Project on Institutional Design and Strategy for the Azerbaijan IPA | Akinci, Gokhan      | 2005-08-22       | —                 | 0                         | 0                             | 0                                 |
| 538819     | Review of Draft FDI Law   | Akinci, Gokhan      | 2005-08-22       | —                 | 0                         | 0                             | 0                                 |