

How Have Border Closures Affected Tourism in Azerbaijan?

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Azerbaijan's land borders have been closed since March 2020. The Cabinet of Ministers last [decided](#) in March 2024 to extend the special quarantine regime in the country to be effective until 1 July 2024. Alongside the intent of reducing coronavirus spread, some [government officials](#) and President Ilham Aliyev [have linked](#) the closure of land borders to security concerns. However, they have not provided proof of security risks from opening land border crossings. One claim that officials reiterate in discussions about the effects of border closures is that the closures have [promoted](#) domestic tourism in the country. In this article I will examine the impact of the land border closures on both domestic and international tourism.

Domestic tourism

Data provided by the State Statistics Committee (SSC) shows that domestic tourism made for leisure and entertainment [has decreased](#) since March 2020 when Azerbaijan locked down land borders. Only in 2023 did the number of domestic tourist trips increase towards the indicator recorded in 2019 (see Table 1).

Table 1: Number of domestic tourism trips made for leisure and entertainment in 2019-2023

Year	Number of trips
2023	7.210.879
2022	5.231.245
2021	3.265.165
2020	1.067.956

2019	7.496.952
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Note that Azerbaijan enforced lockdowns in response to the pandemic between 2020 and 2021, yet removed strict restrictions affecting domestic tourism travel in 2022 and 2023. Nevertheless, even in 2023, the number of domestic tourist trips was lower compared to the pre-pandemic period. In addition, Table 2 shows that there was a decline in domestic tourist trips for all other purposes other than “visiting friends and relatives” while land borders have been closed. These two facts indicate that claims that the closure of land borders contributes to domestic tourism are not true. Also, a decline of nearly 20% in domestic business travel might be considered an indicator of reduced economic activity in Azerbaijan’s business environment during this period.

Table 2: Comparison of domestic trips by purpose between 2019 and 2023

Reasons for domestic travel	2019	2023	Difference
Business	2.217.440	1.828.808	-18%
Leisure and entertainment	7.496.952	7.210.879	-4%
Visiting friends and relatives	8.064.961	9.610.308	19%
Treatment	2.167.839	1.536.300	-29%
Religious purposes	789.285	228.164	-71%
Shopping	1.930.244	740.857	-62%

Other	580.058	531.746	-8%
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The volume of domestic travel spending while land borders have been closed is also an important indicator in terms of measuring the impact of pandemic restrictions on the tourism sector. A [report](#) from the SSC shows that in 2023 the volume of domestic tourist travel spending had increased by 31% from 2019. Along with that, however, there are two key issues to be stressed.

Firstly, the inflation rate in Azerbaijan rose to 6,7% in 2021, 13,9% in 2022 and dropped to 8,8% in 2023. The country's inflation rate reached 32% in December 2023 compared to February 2020, a month prior to the border closure. So, the increase in domestic tourism spending in 2023 was not real but nominal compared to 2019, and the reason for the growing spending in the face of declining domestic tourism travel was due only to rising prices.

Secondly, if we look at the expense breakdown of domestic tourist travel spending, we see that costs on three items (accommodation, meals and purchase of goods) alone have increased compared to 2019, and these three items are among the areas where inflation is most noticeable. Another reason for the recorded growth in accommodation spending is an increase in non-cash payments. These have boosted the recorded spending numbers. That is, unlike in previous years, the volume of spending has seemingly expanded because of higher officially recorded payments. Figures related to the high volume of tourist arrivals (expenditure in areas such as the purchase of a tourist permit, transportation, vehicle hire, fuel, culture and entertainment) appear to be lower than in 2019. The declining figures in these areas suggest that fewer people made domestic tourism trips in 2023 compared to 2019 (see Table 3).

Table 3: Comparison of domestic tourism expenditures, 2019 to 2023

Domestic tourism spending breakdown	2019	2023	Difference
Purchase of a tourist permit	25.512.000	18.781.200	-26%
Accommodation	472.774.700	881.055.400	86%
Meals	704.225.600	1.268.530.200	80%
Transportation	651.962.700	602.653.100	-8%
Vehicle hire or car rental	29.654.400	25.792.800	-13%
Fuel for personal car	91.324.300	74.541.800	-18%
Culture	86.697.300	54.114.600	-38%
Sports and entertainment	288.472.700	146.042.400	-49%
Purchase of goods and gifts	827.765.300	1.163.058.600	41%
Other services	303.234.400	339.655.900	12%
TOTAL	3.481.623.400	4.574.226.000	31%

International tourism

The tourism sector has increasingly come to the forefront in Azerbaijan, especially after the devaluations of 2015. This is because one of the areas that the government was most looking to offset energy revenue reductions was the tourism sector. To that end, the tourism sector was viewed separately in many of the strategic development documents adopted at the time. The number of international visitors to Azerbaijan is officially reported to have surged since that period. With the start of pandemic outbreak in 2020, international tourism declined. Figures recorded for international tourism, as in the case of domestic tourism, remain below those of the pre-pandemic period.

In 2023, the number of international arrivals in Azerbaijan was about 1,1 million fewer than the year before the pandemic.

Over the same period, the decline in the number of inbound visitors to the country solely for tourism purposes was higher, pegging at 1,4 million (see Table 4).

Table 4: Inbound tourism volume in Azerbaijan 2016-2023

Year	Number of international visitors to Azerbaijan
2023	2 085 790
2022	1 602 300
2021	791 800
2020	795 800
2019	3 170 400
2018	2 849 600
2017	2 696 700
2016	2 248 800

The decrease in the number of international tourist arrivals has led to a shrinking volume of tourism receipts in Azerbaijan (see Table 5). Apparently, even despite high inflation in 2023, when other quarantine restrictions, apart from land borders, were lifted, international tourist spending in Azerbaijan was still about 500 million AZN lower than in 2019. The closure of land borders in Azerbaijan in 2022 and 2023 deprived the domestic economy of at least 1 billion AZN.

Table 5: International inbound visitor spending in Azerbaijan in 2016-2023 (in million AZN)

Year	Tourist spending in AZN
2023	2 439 210 000
2022	1 340 200 000
2021	492 600 000
2020	414 700 000
2019	2 971 400 000
2018	2 661 600 000

2017	2 285 300 000
2016	1 411 300 000

The comparison of the indicators for residents of 10 countries who made the largest number of visits to Azerbaijan in 2019 and 2023 suggests that the number of arrivals in Azerbaijan from nine out of top ten countries has plunged since 2019. Only the number of arrivals from India was higher compared to the pre-pandemic period. Georgia (548.000), Russia (338.000) and Iran (226.000) were the countries who made the smallest number of visits to Azerbaijan. That is, the comparison with the pre-pandemic period, quite intuitively, shows that the closure of land borders created a sharp decline in the number of visits to Azerbaijan from countries that have a land border with Azerbaijan. It should not be forgotten that the closure of land borders affected not only the number of visitors to Azerbaijan from these countries, but also the number of arrivals made through these countries.

Table 6: 2023 indicators for residents of 10 countries who made the largest number of visits to Azerbaijan in 2019

Country	Number of visits in 2019	Number of visits in 2023	Difference
Russia	840.618	502.214	-338.404
Georgia	600.685	52.075	-548.610
Türkiye	291.931	133.863	-158.068
Iran	237.989	11.192	-226.797
Saudi Arabia	103.691	77.569	-26.122
United Arab Emirates	66.706	44.028	-22.678

India	62.263	114.322	52.059
Ukraine	54.949	18.941	-36.008
Iraq	47.325	1.711	-45.614
Israel	45.268	27.313	-17.955

Conclusion

The closure of the land borders did not increase interest in domestic tourism in Azerbaijan. None of the 4 years during which land borders have been closed saw a higher number of domestic tourist trips compared to the pre-pandemic period. Domestic tourist spending rose above those of the pre-pandemic period, yet this was because of inflation and an increase in the number of official payments during this period.

The number of international tourist arrivals in the country decreased by 1,4 million compared to 2019, while the number of inbound visitors from the four countries with land borders open before the pandemic (Iran, Türkiye, Georgia and Russia) declined by 1,3 million by 2020. Because of this decrease, international tourist spending in Azerbaijan decreased by 500 million AZN in 2023 compared to 2019 despite high inflation.