

# Macroeconomic Trends in Azerbaijan (2023-The First Half of 2024)

written by BRI Economic Team BAI İqtisadi Qrupu

This issue of BRI's Bulletin looks at macroeconomic trends Azerbaijan has seen in recent years, especially throughout 2023 and the first half of this year. The authors highlight the trend of changes that have taken place as a result of the external and internal pressures on Azerbaijan's economy.

It consists of 4 main sections.

The **first section** analyses the general macroeconomic situation in the country, reflecting on the main factors contributing to real gross domestic product growth, and the sectoral structure of investment in fixed capital and the pace of its growth. It also provides explanations for the inflation rate, unemployment rate, trends in the share of domestic and external debts in Azerbaijan's total national debt.

The **second section** provides an overview of the main trends in the state budget and extra-budgetary funds. The section also addresses reasons for an increase in state budget revenues as well as changes that have occurred in the directions of budget expenditures. Trends on extra-budgetary funds discuss the dynamics of SOFAZ revenues and expenses.

The **third section** contains information about the trends affecting the country's monetary sector. Particular attention has been paid to the country's increasing inflationary pressure and the impact of monetary decisions to prevent inflation against a backdrop of global price hikes and a large surge in Azerbaijan's state budget spending caused by the COVID-19 pandemic and the Russian invasion of Ukraine.

Focusing on major trends related to the country's business ties with foreign countries, the ***fourth section*** evaluates the impact of global processes, including changes in oil and gas prices, on the structure of the balance of payments, and observed changes in the volume of remittances.

You can read the [Macroeconomic Trends in Azerbaijan \(The First Half of 2023-2024\)](#) economic bulletin by clicking on the pdf file.