

# Manipulation of Facts and the Real Economic Picture of Azerbaijan

written by BRI Economic Team BAI İqtisadi Qrupu

The APA Information Agency, one of the main propaganda channels of the Azerbaijani government, published [an article](#) about the development of the non-oil sector of the economy. The article presents several figures to prove the rapid growth of non-oil sectors between 2020 and 2024. For example, it claims that during this period, state budget revenues increased by nearly 50 percent to 37,2 billion manats. Non-oil revenues rose from 10,7 billion manats to 19,2 billion manats. Non-oil exports expanded from 1,85 billion dollars to 3,35 billion dollars.

However, the article distorts the real picture by manipulating several facts. The most serious mistake is that it compares the 2024 figures with those of 2020, when the global economy, including Azerbaijan's, declined because of the pandemic. The year 2020 should never serve as a reference point for comparison. If the goal is to analyze a five-year period, the last pre-pandemic year, 2019, should serve as the baseline.

Let us examine some of the cited facts.

## **First fact: Tourism revenues increased 6,5 times**

The article references official statistics and claims that revenues from tourism service exports in 2024 were 6,5 times higher than in 2020, growing from 304 million dollars to 2 billion dollars. Yet in 2020, the global pandemic almost completely stopped international tourist flows. As a result, the foreign tourism revenues of Azerbaijan dropped nearly sixfold from 1,8 billion dollars to 300 million dollars compared to the previous year. In 2024, tourism export

revenues were about 10 percent, or 250 million dollars, higher than in 2019. As Farid Mehralizade showed in his analysis [published](#) by the Baku Research Institute in May 2024, border closures sharply reduced the inflow of foreign visitors to the country. In 2019, 3,2 million foreigners visited Azerbaijan. By 2023, the number had fallen to around 2 million.

### **Second fact: Hotel revenues grew to record levels**

The APA article claims that hotel sector revenues rose from 116,8 million manats in 2020 to 694,2 million manats in 2024, an increase of more than sixfold. Yet because of the pandemic, hotel revenues in 2020 fell to about one quarter of their 2019 level. In 2019, the sector earned 450 million manats. The real growth, after removing the pandemic effect, is not sixfold but roughly 50 percent. These are nominal figures not adjusted for inflation. Moreover, since the government kept the borders closed under the pretext of the pandemic, residents who could not travel abroad had no choice but to use local tourism services.

### **Third fact: Transport and logistics services form a major share of non-oil revenues**

The APA article hides the decisive role of the oil and gas sector in the growth of transport and logistics exports between 2020 and 2024. During this period, export revenues in the sector rose by about 2 billion dollars to 3,1 billion dollars. Seventy percent of this increase, or 1,4 billion dollars, came from the oil and gas sector. Only 30 percent, or 600 million dollars, came from the non-oil part of the economy. In 2020, oil-and-gas-related transport and logistics revenues stood at only 200 million dollars. By 2024, they had grown eightfold to 1,6 billion dollars. Non-oil and gas transport and logistics revenues rose by 600 million dollars to 1,5 billion dollars during the same period.

### **Fourth fact: Non-oil GDP grew by 68.7 percent**

The APA article presents nominal figures showing that non-oil GDP increased by 68,7 percent, from 50,8 billion manats to 85,7 billion manats. Yet official statistics show that real GDP growth between 2020 and 2024 was only about 15 percent. Since the GDP deflator for the non-oil sector is not published separately, no one can precisely determine the real growth in this segment.

When real economic progress does not happen, the government creates it on paper by manipulating facts and using deceptive comparisons.