



# AZERBAIJAN

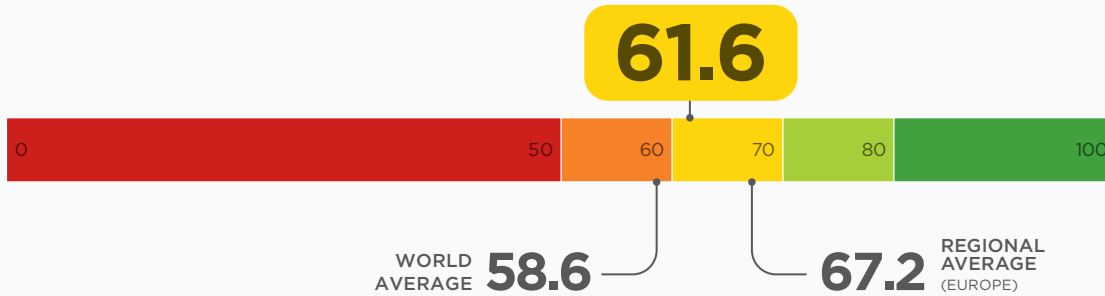
WORLD RANK: **70** | REGIONAL RANK: **34**

ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

Azerbaijan's economic freedom score is 61.6, making its economy the 70th freest in the 2024 *Index of Economic Freedom*. Its rating has increased by 0.2 point from last year, and Azerbaijan is ranked 34th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Azerbaijan's economy is considered "moderately free" according to the 2024 *Index*.

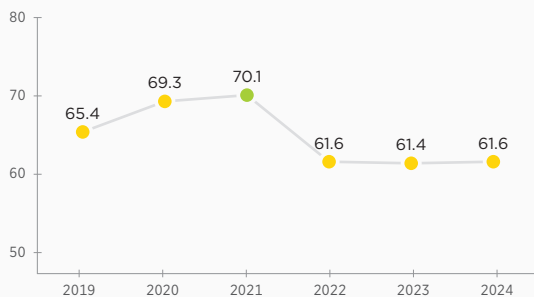
Wide-ranging reforms have led to measurable progress in economic modernization and diversification, improving Azerbaijan's overall macroeconomic and entrepreneurial competitiveness. Openness to global trade and investment has aided the transition to a more market-based system, but deeper institutional and systemic reforms are needed to strengthen the foundations of economic freedom. Efforts to boost energy production are underway. The Southern Gas Corridor, a pipeline transporting gas from Azerbaijan to European markets, has been in operation since its completion in 2020.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +31.6

## RECENT FREEDOM TREND

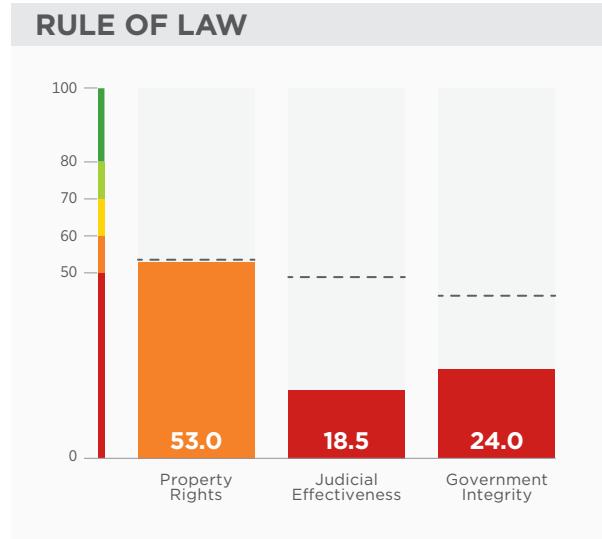


## QUICK FACTS

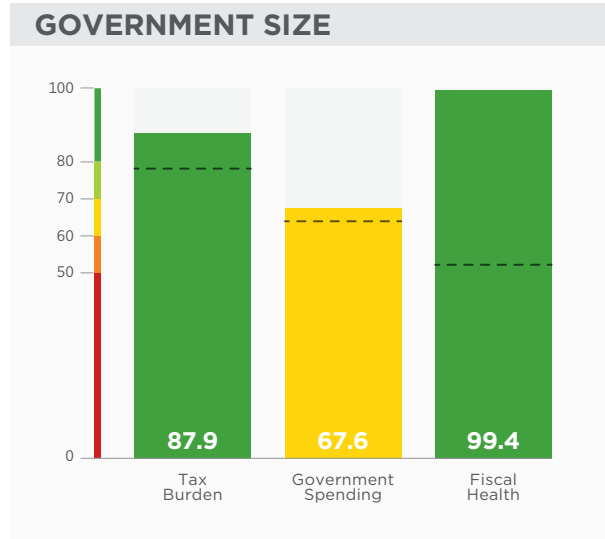
- POPULATION:** 10.1 million
- UNEMPLOYMENT:** 6.6%
- GDP (PPP):** \$180.8 billion
- INFLATION (CPI):** 13.9%
- 4.6% growth in 2022
- FDI INFLOW:** -\$4.5 billion
- 5-year average growth rate: 2.0%
- PUBLIC DEBT:** 17.3% of GDP
- \$17,800 per capita

2022 data unless otherwise noted. Data compiled as of October 2023.

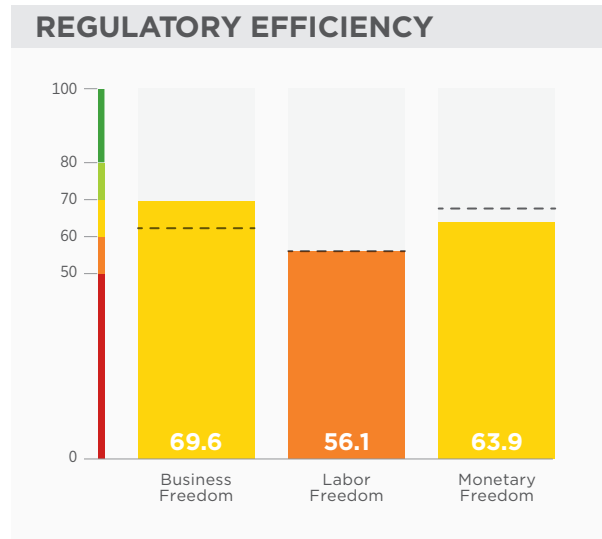
# 12 ECONOMIC FREEDOMS | AZERBAIJAN



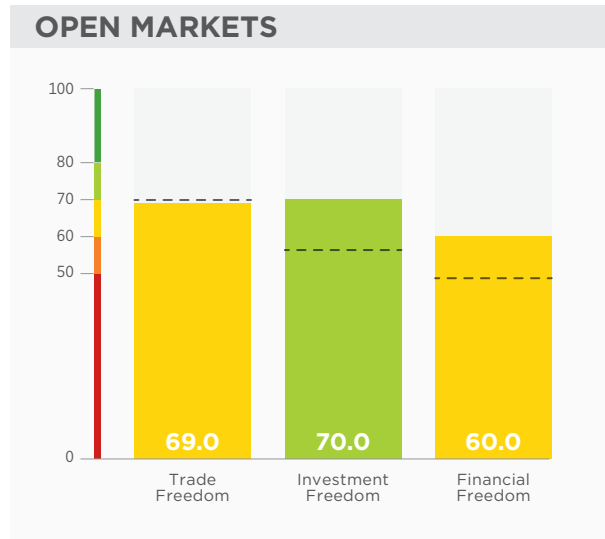
The overall rule of law is weak in Azerbaijan. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 13.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 32.9 percent and 1.2 percent of GDP. Public debt amounts to 17.3 percent of GDP.



Azerbaijan's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is below the world average.



The trade-weighted average tariff rate is 8.0 percent, and nontariff barriers continue to restrict trade. Azerbaijan has been moving gradually toward greater diversification of its economy. The financial sector is dominated by state-owned banks but remains stable.