

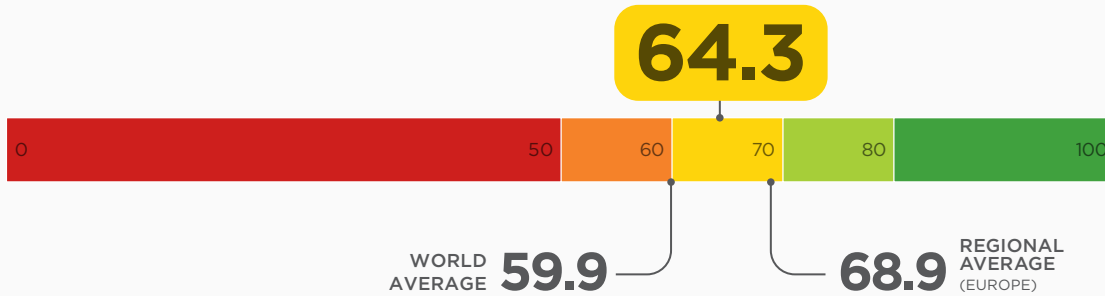
WORLD RANK:	REGIONAL RANK:
67	33
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

AZERBAIJAN

Azerbaijan's economic freedom score is 64.3, making its economy the 67th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 1.8 points from last year, and Azerbaijan is ranked 33rd 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 2026 *Index*.

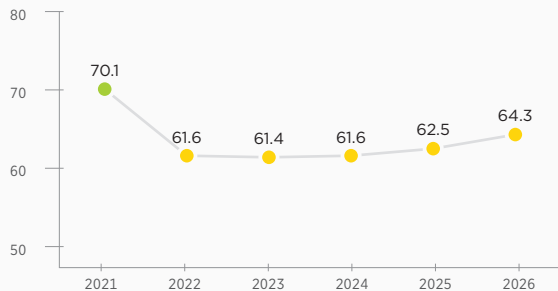
Openness to global trade and investment has aided Azerbaijan's transition to more market-driven, diversified economic development. Wide-ranging reforms have yielded measurable progress in economic modernization and diversification, improving macroeconomic and entrepreneurial competitiveness. Deeper institutional and systemic reforms have been pursued to strengthen the foundations of economic freedom. Efforts to boost energy production are underway. Azerbaijan has solidified its critical role as centerpiece of the Middle Corridor, achieving record transit speeds and launching major infrastructure expansions with growing international backing.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +34.3

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
10.1 million

GDP (PPP):
\$256.4 billion
3.0% growth in 2025
3-year average growth rate: 2.8%
\$26,081 per capita

UNEMPLOYMENT:
5.6%

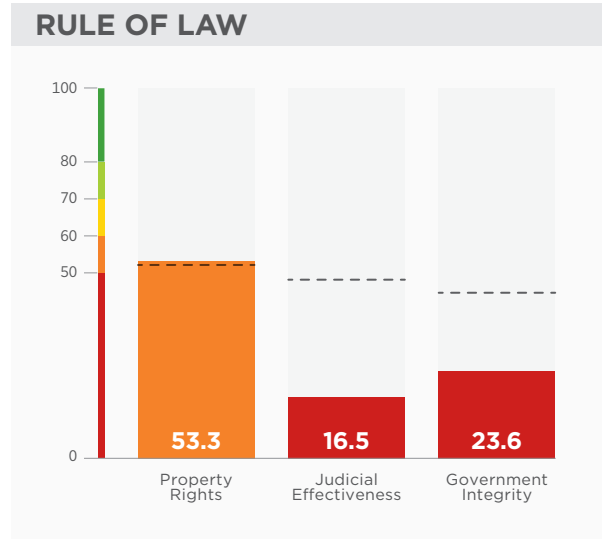
INFLATION (CPI):
2.2%

TRADE AS % OF GDP: 82.7%

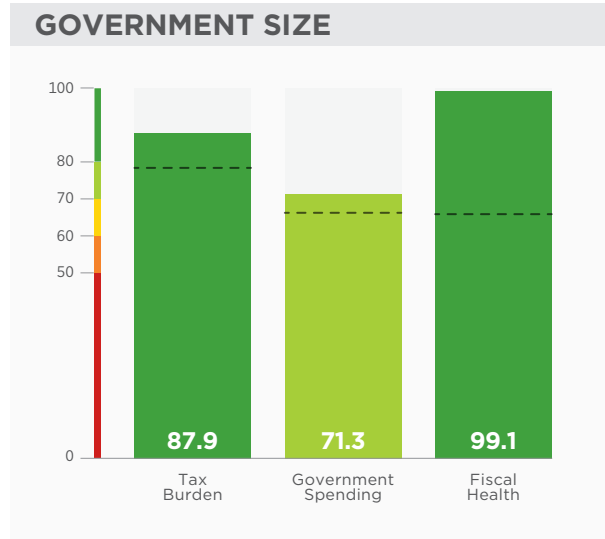
PUBLIC DEBT:
21.7% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

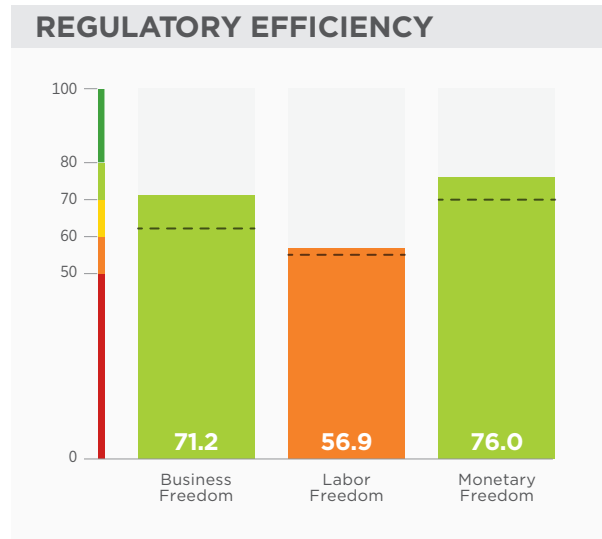
12 ECONOMIC FREEDOMS | AZERBAIJAN



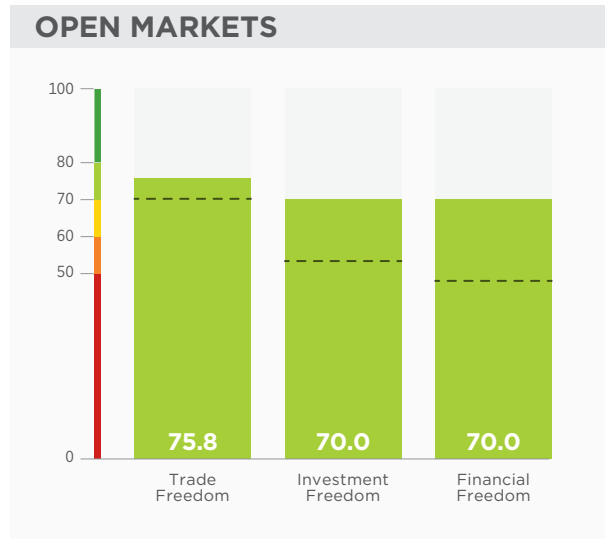
The overall rule of law is well-respected in Azerbaijan. The country's property rights score is above the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 25 percent, and the top corporate tax rate is 20 percent. The tax burden equals 13.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 30.9 percent and 6.0 percent of GDP. Public debt amounts to 21.7 percent of GDP.



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



The trade-weighted average tariff rate is 7.1 percent, and various nontariff barriers are in force. Azerbaijan has gradually been moving toward greater economic diversification. The financial sector is dominated by state-owned banks but remains stable. The number of nonperforming loans has declined noticeably in recent years.