

## BALANCE OF PAYMENTS<sup>1</sup> of the Republic of Azerbaijan for January – September, 2015

*As in previous years, in January - September, 2015 external economic operations had positive balance on the oil-and-gas sector and negative balance on the non-oil sector.*

*Total proceeds of the oil-and-gas sector chiefly stemmed from oil-and-gas export and foreign capital attracted to the sector. Payments on this sector reflect repatriation of profit and investments, and import of equipment and services. Total positive surplus on the oil-and-gas sector in January – September, 2015 amounted to USD 7.3 bln.*

### Key indicators of the balance of payments for January – September, 2015

	Mln. \$
<b>Current operations</b>	<b>240.5</b>
Foreign trade balance	5302.5
Services balance	-3433.8
Primary income balance	-1795.8
-Investment income repatriation	-1586.5
Secondary income balance	167.6
<b>Capital account</b>	<b>-3.4</b>
Financial account	<b>-6578.3</b>
Net financial assets	9731.2
including:	
- direct investments abroad	2623.6
- portfolio investments	-107.9
- other investments	7215.5
Net financial liabilities	3152.9
including: -	
direct investments attracted to Azerbaijan	5737.9
- attracted investment repatriation	-2514.5
- oil bonus	2.0
- portfolio investments	751.1
- other investments	-823.6
Net errors and omissions	<b>-2800.0</b>
Change in reserve assets of the country	<b>-9141.2</b>

*Note: The average oil price was 51\$ (102\$ in 9 months of the previous year) in the balance of payments calculations.*

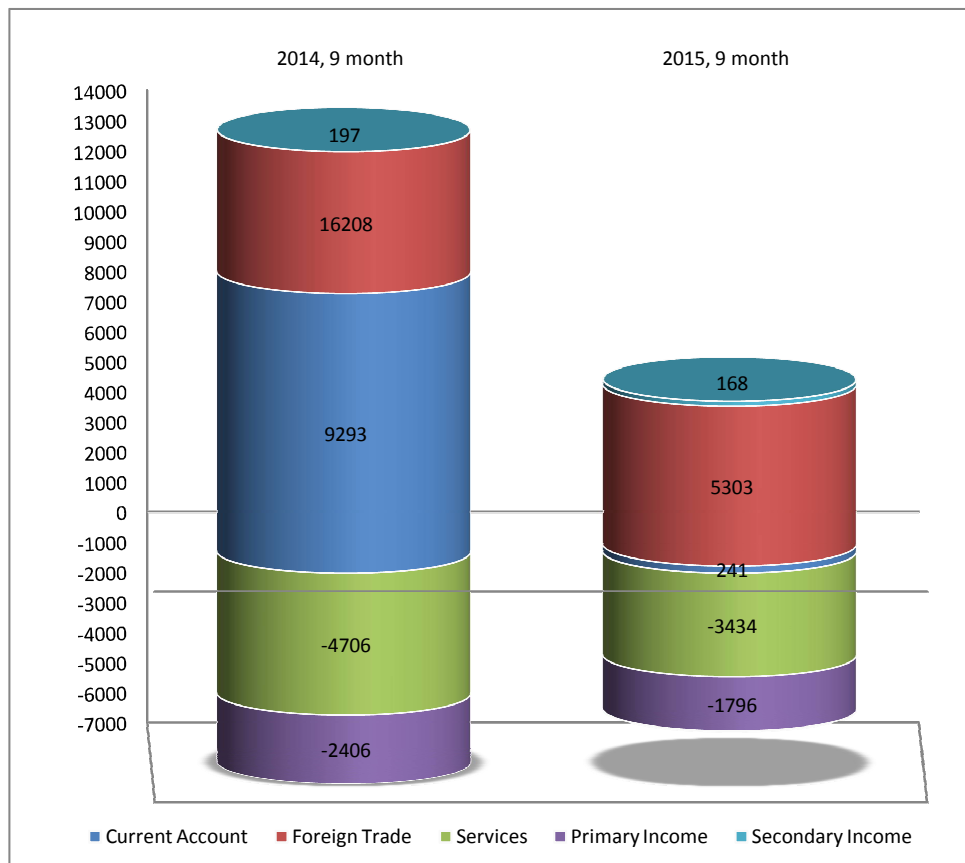
### Current operations account

In January – September, 2015 current accounts surplus amounted to USD 240.5 mln, including USD 5442.3 mln of current accounts surplus on the oil-and-gas sector.

<sup>1</sup> Go to [http://cbar.az/assets/1186/final\\_metod.pdf](http://cbar.az/assets/1186/final_metod.pdf) for Methodological Guidelines on Compiling the Balance of Payments.

Surplus of the oil-and-gas sector fully covered USD 5201.7 mln deficit on the non-oil sector.

Mln.\$



### ***External trade balance***

External trade balance made USD 19.3 bln, while *positive external trade surplus amounted to USD 5.3 bln*.

In January – September, 2015 Azerbaijan traded with up to 155 countries across the world. 9.8% of external trade falls to the share of CIS countries and 90.2% – other countries. Our country had more vigorous trade ties with Turkey, Italy, the UK, Germany, Russia, the USA, Japan, France, Israel and China. (The share of these countries in overall trade was 67.1%).

### **Key external trade partners in January – September, 2015**

(Mln. \$)

	Commodity turno	Export	Import	Trade balai
Turkey				

<i>Italy</i>	2243	1154	1089	+65
<i>UK</i>	2145	1799	346	+1453
<i>Germany</i>	1675	1415	260	+1155
<i>Russian Federation</i>	1526	1042	484	+558
<i>USA</i>	1455	303	1152	-849
<i>Japan</i>	1392	747	645	+102
<i>France</i>	792	370	422	-52
<i>Israel</i>	727	578	149	+429
<i>China</i>	581	565	16	+549
<i>Others</i>	452	43	409	-366
	6356	4307	2049	+2258
<b>Total</b>	<b>19344</b>	<b>12323</b>	<b>7021</b>	<b>+5302</b>
<i>including:</i>				
<b>CIS</b>	<b>1892</b>	<b>391</b>	<b>1501</b>	<b>-1110</b>
<b>Other countries</b>	<b>17452</b>	<b>11932</b>	<b>5520</b>	<b>+6412</b>

**Commodity export.** Over the reporting period commodity export amounted to USD 12.3 bln. Oil-and-gas products account for 90.9% of export.

USD 10.3 bln worth oil products were exported to foreign countries, of which USD 788.4 mln falls to the share of oil processing products, while USD 9.5 bln to export of crude oil.

**Non-oil-and-gas export** of the country in January – September, 2015 constituted USD 1116.5 mln.

#### Export structure

	9 months, 2014		9 months, 2015	
	Amount, mln.\$	Share, %	Amount, mln.\$	Share, %
<b>Export - total</b>	<b>22932.0</b>	<b>100.0</b>	<b>12323.3</b>	<b>100.0</b>
<i>including:</i>				
1. Fuel – raw materials	22067.8	96.3	11500.0	93.4
- oil-and-gas products	21752.1	94.9	11206.8	91.0
- other raw materials	315.7	1.4	293.2	2.4
2. Machinery products	215.2	0.9	275.1	2.2
3. Consumer goods	628.8	2.7	533.5	4.3
4. Other goods	20.2	0.1	14.7	0.1

**Commodity import.** Over the reporting period, commodity import constituted USD 7.0 bln. Total value of consumer goods was USD 2830.7 mln, of which USD 838.5 mln is the share of food products.

### Import structure

	9 months, 2014		9 months, 2015	
	Amount, mln.\$	Share, %	Amount, mln.\$	Share, %
<b>Import - total</b>	<b>6723.6</b>	<b>100.0</b>	<b>7020.8</b>	<b>100.0</b>
including:				
1. Consumer goods	3056.6	45.5	2830.7	40.3
- food products	913.9	13.6	838.5	11.9
- others	2142.7	31.9	1992.2	28.4
2. Investment oriented goods	715.6	10.6	1365.6	19.5
- int'l oil-and-gas consortiums	706.7	10.5	1360.5	19.4
- others	8.9	0.1	5.1	0.1
3. Other goods	2951.4	43.9	2824.5	40.2

The share of vehicles, equipment and goods imported through investments comprised 19.5% and equaled USD 1365.6 mln. 99.6% of this amount was the share of goods imported by the oil-and-gas sector Besides, USD 2824.5 mln worth of vehicles, equipment, chemical, ferrous and non-ferrous metal products were imported to the country for production purposes.

### Services balance

One of the major items in economic relations of Azerbaijan with other countries in January – September, 2015 was mutually provided services, the volume of which was USD 9.9 bln. Out of this amount USD 6.7 bln was rendered by non-residents for Azerbaijani residents, and USD 3.2 bln – services provided by Azerbaijani residents for residents of foreign countries.

The share of transportation services in total services turnover was 18.6%. Total size of transportation services made up USD 1.8 bln, 61.2% of which fell to the share of services provided by Azerbaijani residents to non-residents.

Total volume of transportation services provided by Azerbaijani residents to non-residents made up USD 1124.7 mln., while the volume of transportation services provided by non-residents to Azerbaijani residents made up USD 713.9 mln.

In total, the share of mutual services in total commodities and services import-export turnover constituted 33.8%.

### Primary income balance

Over the reporting period total turnover of income receipts and payments reached USD 3.7 bln. Out of this 74.4% (USD 2.7 bln) were payments from Azerbaijan. The key portion of which (USD 1.7 bln) fell to the share of income repatriation of foreign investors in oil-and-gas consortiums (mainly in terms of crude oil), salaries paid to nonresidents (USD (274.8 mln) and interest payments for external debts (USD 365.6 mln).

## Secondary income balance

Total value of secondary income operations with foreign countries is estimated to equal USD 1.7 bln. 55% of which was receipts by Azerbaijan.

96.7% of total receipts on secondary income are comprised of remittances of individuals from foreign countries, 1.9% – value of humanitarian import goods, and 1.4% – other receipts.

In total, surplus of secondary income operations made up positive USD 167.6 mln..

## Financial account<sup>2</sup>

In January – September, 2015 net acquisition of financial assets increased USD 9.7 bln, primarily comprised of FDIs (USD 2623.6 mln), portfolio investments (USD -107.9 mln) and other investments (USD 7215.5 mln). Net financial liabilities constituted USD 3.2 bln, primarily comprised of net FDIs (USD 3223.4 mln.), portfolio investments (USD 751.1 mln.), other investments (823.6 mln) and oil bonus (USD 2.0 mln.).

### Net financial assets and liabilities on January – September, 2015

		Mln.\$
	Assets	Liabilities
<b>Direct investments</b>	<b>2623.6</b>	<b>3223.4</b>
- oil-and-gas sector	1424.4	2566.4
- other sectors	1199.2	657.0
<b>Portfolio investments</b>	<b>-107.9</b>	<b>751.1</b>
<b>Other investments</b>	<b>7215.5</b>	<b>-823.6</b>
-trade credits and advances	2509.7	83.6
- credits and loans	78.9	-71.4
-deposits and cash	4626.9	-835.8
<b>Oil bonus</b>		<b>2.0</b>
<b>TOTAL</b>	<b>9731.2</b>	<b>3152.9</b>

*2 Under the IMF's Balance of Payments Manual (6th Edition), the capital and financial account in the BOP structure is classified under the Assets/Liabilities principle, due to which table indicators are designed under a new structure.*

### Direct investments

Total amount of FDIs was USD 5.7 bln. The oil-and-gas sector accounts for 88.2% of these investments.

Total amount of FDIs to the non-oil sector is estimated to equal USD 678.0 mln.

### Credits and other investments

During the reporting period net financial assets on credits and loans increased by USD 78.9 mln, while net financial liabilities decreased by USD 71.4 mln.

Net financial assets on deposits and cash increased USD 4.6 bln, while net financial liabilities decreased USD 835.8 mln.

### **Reserve assets**

Over the reporting period country's reserve assets decreased USD 9141 mln.